



# CITY OF EASTVALE

CALIFORNIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2020



**CITY OF EASTVALE, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2020**

**Prepared By:**  
**Department of Finance and Administration**





**City of Eastvale**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2020**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal	i - v
Government Finance Officers Association Award	vi
List of Principal Officials	vii
Organizational Chart	viii
<b>II. FINANCIAL SECTION</b>	
<b>Independent Auditors' Report</b>	1 - 2
<b>Management Discussion &amp; Analysis</b>	3 - 17
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements	
Balance Sheet - Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Fiduciary Assets and Liabilities - Agency Fund	24
Notes to Financial Statements	25 - 59
<b>Required Supplementary Information:</b>	
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Pension Plan	60
Schedule of Contributions - CalPERS Pension Plan	61
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios	62
Schedule of Contributions - OPEB	63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	64
Gas Tax Fund	65
Development Impact Fees Fund	66
Notes to Required Supplementary Information	67

**City of Eastvale**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2020**

**Table of Contents - Continued**

	<b>PAGE</b>
<b>Supplementary Information:</b>	
Non-Major Governmental Funds	68 - 69
Combining Balance Sheet	70 - 72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	73 - 75
Non-Major Governmental Funds Comparison Schedules	76
Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual:	
Measure A Fund	77
AQMD Trust Fund	78
Supplemental Law Enforcement Services Fund	79
Lighting and Landscape Maintenance Fund	80
Benefit Assessment Fund	81
Road and Bridge Benefit District Fund	82
Community Development Block Grant Fund	83
Miscellaneous Grants Fund	84
Cares Act Grant	85
TUMF Reimbursement Fund	86
Area Drainage Plan	87
TDA Funds	88
Capital Projects Fund	89
Fiduciary Fund - Agency Fund:	90
Statement of Changes in Fiduciary Assets and Liabilities	91

**III. STATISTICAL SECTION**

Introduction of Statistical Section	
Financial Trends:	
Net Position by Component	92 - 93
Changes in Net Position	94 - 95
Fund Balances of Governmental Funds	96 - 97
Changes in Fund Balances of Governmental Funds	98 - 99
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	100 - 101
Direct and Overlapping Property Tax Rates	102
Principal Property Tax Payers	103
Property Tax Levies and Collections	104
Debt Capacity:	
Ratio of Outstanding Debt by Type	105
Ratio of General Bonded Debt	106
Direct and Overlapping Bonded Debt	107
Legal Debt Margin Information	108
Pledged Revenue Coverage	109
Demographic and Economic Statistics:	
Demographic and Economic Status	110
Principal Employers	111
Governmental Activities Tax Revenues by Source	112 - 113
Taxable Sales by Category	114

**City of Eastvale**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2020**

**Table of Contents - Continued**

Operating Information:

Full-time City Employees by Function	115
Operating Indicators by Function	116 - 117
Capital Asset Statistics by Function	118

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# INTRODUCTION SECTION







# CITY OF EASTVALE

12363 Limonite Avenue | Suite 910 | Eastvale, CA 91752  
951.361.0900

**Brandon Plott**

December 15, 2020

***Mayor***

**Jocelyn Yow**

Honorable Mayor, Council Members and Residents of the City of Eastvale,

***Mayor Pro Tem***

**Clint Lorimore**

I am pleased to present the 2019-20 Comprehensive Annual Financial Report (CAFR) for the City of Eastvale, California for the fiscal year ended June 30, 2020. State Law and the City's Municipal Code require that an annual financial report is prepared. This report fulfills that obligation. It has been prepared in conformity with generally accepted accounting principles (GAAP) and with the financial reporting requirements prescribed by the Governmental Accounting Standards Board (GASB).

***Council Member***

**Todd Rigby**

This report is intended to provide relevant financial information to residents of the City of Eastvale, City staff, creditors, investors, businesses, and other concerned readers. This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it. The City of Eastvale's MD&A can be found immediately following the report of the independent auditors in the financial section of this report. We encourage all readers to contact the Finance Department with any questions or comments regarding this report.

***Council Member***

**Vacant**

***Council Member***

## **Purpose and Management Responsibility**

**Bryan Jones**

This report consists of management representations concerning the finances of the City of Eastvale in its ninth year of incorporation. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City of Eastvale continues to establish a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Eastvale's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of internal controls should not outweigh their benefits, therefore the City of Eastvale's comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

***City Manager***

## **Audited Financial Statements**

The City of Eastvale's financial statements have been audited by Teaman, Ramirez, & Smith, Inc., a firm of certified public accountants and consultants since the City's inception in 2011. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Eastvale for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative of introductions, overview, and

analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

## **Profile of the Government**

Eastvale is a young and dynamic community in Western Riverside County. We are the most northwest City in Riverside County and are surrounded by the Cities of Chino and Ontario in San Bernardino County on the west and north and the Riverside County Cities of Jurupa Valley, Norco and Corona on the east and south. The Federal Santa Ana River and Cucamonga Creek waterways traverse our City as does Interstate 15 and Highway 60. We are served by the Chino Airport and International Ontario Airport both within a 15-minute drive.

We champion experiences that engage, excite, and elevate our community with our kindness, grit and solutions-driven team to achieve courageous, creative, and collaborative results! We are a Strengths Based Leadership, Purpose & Values Driven, and People serving organization. We are always striving to Exceed Eastvale's Expectations Every Day and desire to work with consultants that share this same goal and provide award winning services, performance and results. We also realize that some days we WIN, some days we LEARN, yet we are always GIVING and TRYING our BEST.

Eastvale, just celebrated our 10th anniversary of incorporation as a General Law City. We were incorporated on October 1, 2010 and are the second youngest incorporated city in California. The City operates under a Council/Manager form of government and has a five-member City Council comprised of members elected by district. Each Council Member is elected for four years with staggered terms. The Council selects one of its members in December of each year to serve as Mayor and another to serve as Mayor Pro Tem. The City Council values and encourages public participation in the governing process and our residents are engaged and proud to represent their neighborhood, culture and community.

The City of Eastvale invests in community relationships to increase collaboration and communication in a positive way and works closely with the Corona-Norco Unified School District, the Jurupa Community Services District, the Jurupa Area Recreation & Parks District, neighboring cities, and other community stakeholders. The City of Eastvale is served by the Riverside County Sheriff's Office for law enforcement and CalFIRE/Riverside County Fire for Fire/Medical Emergency Response.

This report includes all funds of the City. It includes all governmental organizations and activities for which the City of Eastvale's City Council is financially accountable. The City provides a wide range of services including City Clerk, Communications, Planning, Building, Public Works, Engineering, Community Enhancement and Safety, and internal administrative services including Finance and Talent Attraction and Development (Human Resources/Risk Management). Animal control, library and public safety (fire and police) services are provided to the City and its residents through contracts with the County of Riverside. Other services are provided directly through other agencies, water and sewer through the Jurupa Community Services District, parks and recreation through the Jurupa Community Services District and Jurupa Area Recreation and Parks District, and public transit through the Riverside Transit Agency. The City has franchise agreements for electricity service through Southern California Edison, natural gas through SoCalGas, refuse collection through Waste Management and Burrtec and cable service through state franchise agreements with Pacific Bell (AT&T), Time Warner and Charter Communications.

The Council is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as the appointment of members of various statutory and advisory boards, in addition to the City Manager and City Attorney. As Chief Administrative Officer, the City Manager has the responsibility of administering programs in accordance with policies established by the City Council and within the guidelines of the annual budget adopted by the Council.

## **The Budget Process & Relevant Financial Policies**

Beginning at incorporation, and continuing each year thereafter, the City embarks on budget planning process which begins in late winter / early spring with a discussion of the City Council goals and priorities and ends with the adoption of the budget prior to July 1st. In August 2018 the City Council started a strategic planning process and on November 14, 2018 the Council adopted the City of Eastvale Strategic Plan. The adopted Strategic Plan includes six targets: (1) Communication/Community Engagement, (2) Public Safety, (3) Economic Development, (4) Organizational Development, (5) Finance/Budget, and (6) Infrastructure. With these six targets driving the future of the City, "priority" goals were established in order to provide short- and long-term goals for the community. Examples of goals include: Elevate dining experience (Target #3, Goal #3), Strengthen organizational development and effectiveness (Target #4, Goal #1), and Build



a city hall/civic center (Target #5, Goal #4). The fiscal year 2019-20 budget was the first budget to be aligned with the city's Strategic Plan goals and priorities. The annual budget serves as the foundation for the City of Eastvale's financial planning and control. The development of the budget is completed as two separate projects: the development of the governmental activities operating budget, and the development of the capital improvement program (CIP) focusing on short and long-term capital projects.

The City has a set of financial policies that it abides by and is continually enhancing and adding relevant policies as it develops its formal financial systems. Initially following incorporation, the City adopted the County's policies and codes. As the City continues to develop and expand additional policies specific to Eastvale will continue to be created and adopted, replacing the County policies and directly addressing the City's goals, needs, and priorities. The City currently has \$23.0 million in committed reserves set aside for an emergency 50% general fund contingency, future City Hall, public safety contract rate stabilization, and pension liability.

### **Local Economy**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Eastvale operates. The City of Eastvale is in its tenth year of incorporation and has a young and growing population and continues to be one of the fastest growing cities in Riverside County. The City developed in a significantly different fashion in comparison to older cities; residential was developed throughout the City before a downtown commercial center was developed. Several development projects are underway, and all will add significant commercial, residential, and retail growth. A large development opportunity should soon be underway; development of the 160-acre Leal property at Hamner and Limonite Avenues to create our urban heartbeat, the downtown core and economic engines.

### **Current Year Initiatives**

Early in the City's incorporation we faced major fiscal challenges, specifically the State of California's elimination of the City's Vehicle License Fee (VLF) revenue via SB89 in FY2011-12. The State reinstated the VLF by the passage of SB130 in 2017 of which the City is now receiving VLF revenue and the City expects the funding to continue. As a result, management has continued to move the City forward and has begun to expand staffing levels to improve effectiveness and provide better customer service to the residents and businesses. For fiscal year 2019-20, the City focused on adding new talent by increasing staffing levels from 22 full-time equivalents (FTE) at the beginning of fiscal year 2018-19 to 32.25 FTE for fiscal year 2020-21. Due to COVID-19 financial impacts staff projected a budget deficit of \$1.7 million for fiscal year 2019-20 and \$3.4 million for fiscal year 2020-21. As a result, the City eliminated 7 full time equivalent positions through layoffs in four departments and brought 9 Community Development contract services positions in house. The combined savings of the layoffs and conversion of contract services to in house saved approximately \$1.2 million and helped to close the budget deficit. This change in staffing occurred through formal budget adoption and mid-year public hearings to address the needs and priorities of the Council's Strategic Plan.

Despite projected severe economic impacts from the COVID-19 pandemic, sales tax continues to be the largest source of revenue for the general fund. Overall, sales tax revenues exceeded budget for the 2019-20 fiscal year and the City completed the fiscal year with a \$3.6 million surplus. Vehicle license fee, licenses, permits and fees, and property tax round out the other top revenue generators to the general fund. A specific property tax levied for the fire services is the only source of revenue for the fire fund. The City is expected to continue positive revenue generation and will likely exceed budget projections for the fiscal year. Additional detail regarding the City's revenues can be found in the Management Discussion and Analysis.

This next year we will continue work on our Eastvale 2040 General Plan update, which will look to align land use and infrastructure development, investment, revenue, and expenses now and in the future to create a thriving and financially sustainable government agency providing services in alignment with the community's values, needs, priorities, and goals.

The City is also looking to complete a comprehensive user fee study and cost allocation plan to better reflect the change in service provision from a contract model to in-house staff. A new residential and commercial solid waste franchise agreement has also been adopted by the Council and will bring in a one-time \$8.0 million Franchise Retention Fee, payable

in two installments on January 2, 2020 and July 1, 2022. The City plans to set aside the funds as a committed reserve for a future police substation.

### **Long-Term Financial Planning and Initiatives**

The City will continue to focus its emphasis on strategic investments and controlled and fiscally balanced growth. The City is in the process of obtaining a Long-Range Financial Planning Model, which will be updated annually during the budget process. This model will allow the City to forecast future revenues and expenditures 20 years into the future. The City believes that with the appropriate policies in place, as approved and revisited each year as part of the budget program and Strategic Plan, the City's long-term financial goals will be met. The City has taken many steps to preserve the City's financial integrity, maintain critical service levels, and sustain a reserve to grow the City into the coming years. Central to the city's long-term financial planning is the City's Strategic Plan, which is annually incorporated into the budget process, culminating in an adopted budget each year by July 1st.

### **Long-Term Liabilities**

As of June 30, 2020, the city only has a few types of long-term liabilities. They include employee accrued leave, capital leases (Southern California Edison Streetlight Purchase and LED Retrofit), and retirement benefits including CalPERS pension and other post-employment benefits (OPEB). The city provides retirement pension benefits to employees through the California Public Employee Retirement System (CalPERS). The city pays 100% of the required employer contributions and employees are responsible for paying employee contributions. As of June 30, 2019 the city's two plans are funded at 93.5% for classic and 88.7% for PEPR.

The city provides postemployment health care benefits through the CalPERS healthcare program, Public Employees' Medical and Welfare Trust Medical Plan (PEMHC). The city has elected to join the CalPERS OPEB Trust in accordance with GASB No. 75, which provides a means to fund future retiree healthcare costs. The independently prepared actuarial valuation for the city's OPEB determined that the trust is funded at 170.1% as of the most recent valuation dated December 31, 2019.

Additional details regarding the City's long-term liabilities can be found in the Management Discussion and Analysis and Note 7 of the financial statements.

### **Risk Management**

The city retains the risk loss for general liability and workers' compensation. General liability is housed within the city's general fund. The city is a member of the Public Entity Risk Management Authority (PERMA) for general liability. PERMA was established to pool resources, share risks, purchases excess insurance, and share costs for professional risk management and claims administration. PERMA is a member of California State Association of Counties (CSAC) Excess Insurance Authority for excess liability coverage. Workers' compensation is housed within the city's general fund. The city is a member of State Compensation Insurance Fund for workers compensation. Established in 1914 by the state legislature, State Fund is a California specific provider of workers' compensation insurance. Additionally, the city carries commercial insurance for all other risks of loss, including employee health, property, fire, water, and machinery insurance.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United State and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Eastvale for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 8th consecutive year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive financial report continues to meet the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

### **Concluding Remarks**

The City, in its tenth year of incorporation, has achieved a great deal in transitioning from the County support services and establishing its own culture and approach to local governance. This tenth year provided the city the opportunity to continue the implementation of its longer-term oriented policies and procedures. Building on these experiences, the forthcoming eleventh year of operation is poised to continue to refine and enhance these activities, which will provide the needed foundation for future successful operations and service delivery consistent with our Strategic Plan goals and priorities.

In closing, I'd like to state that the preparation of this report would not have been possible without the talent and dedicated service of the Finance Department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Council for their support for striving for the highest standards of professionalism in the management of the City of Eastvale's finances.

Respectfully submitted,



Bryan Jones  
City Manager



Amanda Wells  
Finance Director / City Treasurer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Eastvale  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

CITY OF EASTVALE, CALIFORNIA  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2020

CITY COUNCIL

BRANDON PLOTT  
Mayor

JOCELYN YOW  
Mayor Pro Tempore

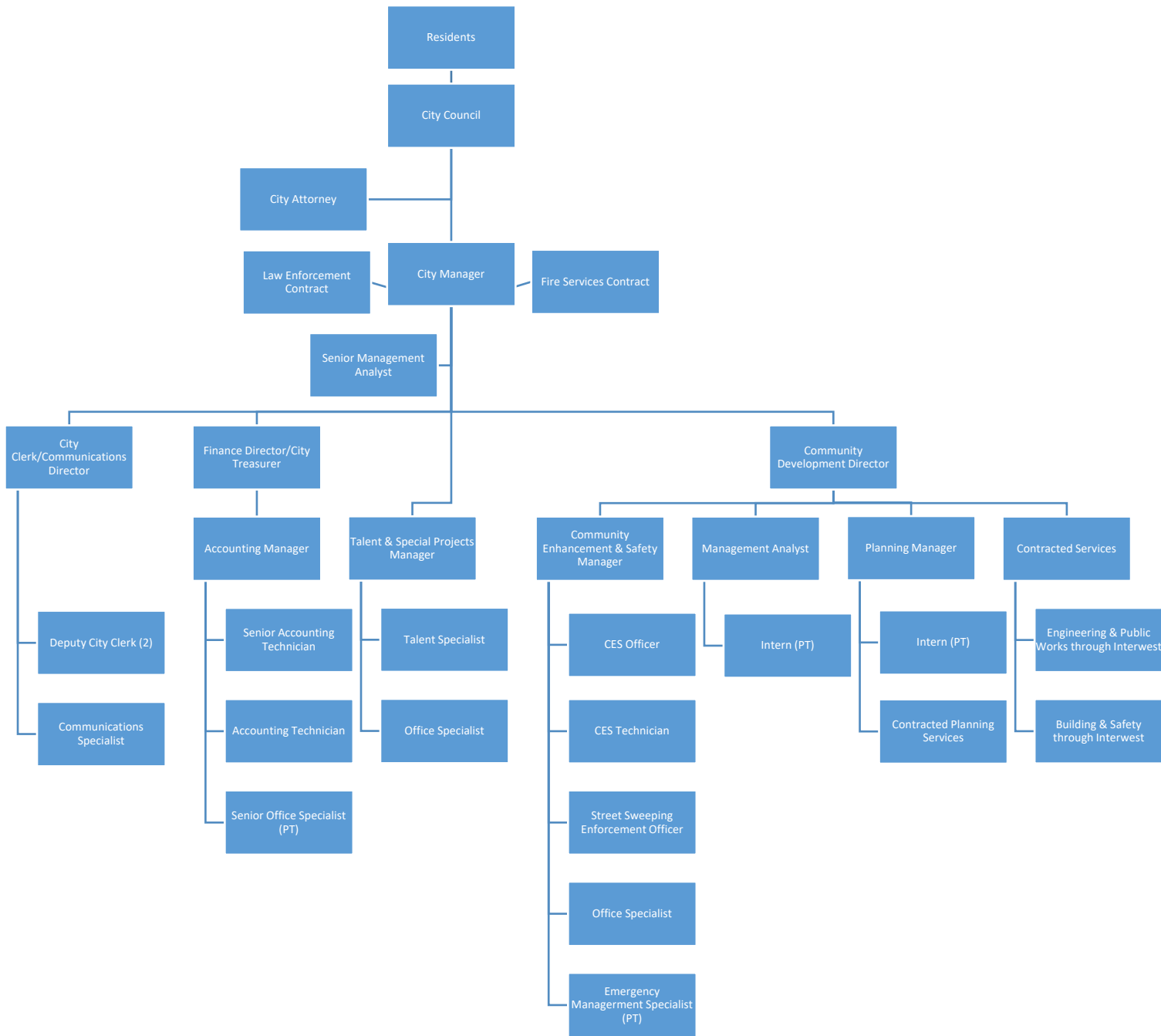
CLINT LORRIMORE, Councilmember  
TODD RIGBY, Councilmember  
VACANT, Councilmember

CITY ADMINISTRATION

BRYAN JONES  
City Manager

ERICA VEGA  
City Attorney

AMANDA WELLS, Finance Director/City Treasurer



# FINANCIAL SECTION







## INDEPENDENT AUDITORS' REPORT

City Council  
City of Eastvale  
Eastvale, California

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Eastvale, California (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Eastvale, California, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

#### *Change in Accounting Principle*

As described in Note 1 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Riverside, California  
December 15, 2020



# Management's Discussion and Analysis

As management of the City of Eastvale, California (City), we are pleased to offer to the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2020. The Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and currently known facts. As a result, we encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Letter of Transmittal, which can be found in the introductory section of this report, and with the City's Basic Financial Statements, which follow this discussion.

## FINANCIAL HIGHLIGHTS

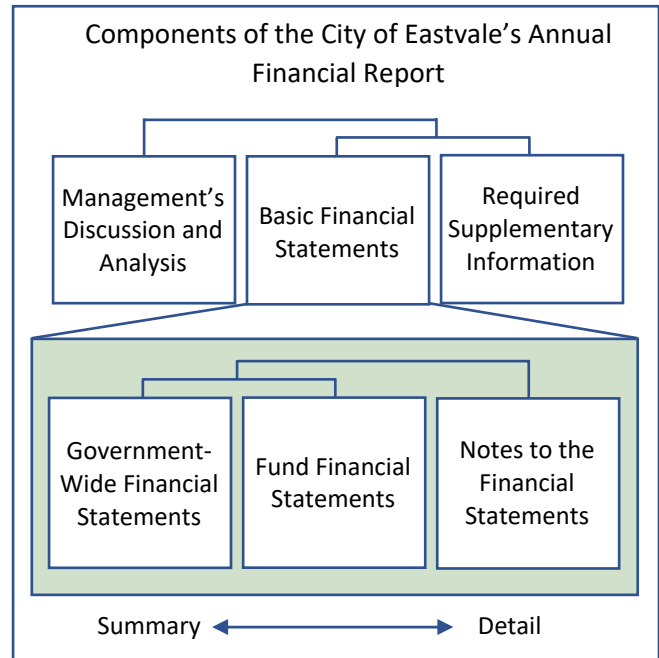
When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. The relationship between the revenues and expenses can be thought of as the City's operating results. The City's net position, as measured in the Statement of Net Position, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position, as measured in the Statement of Activities, are another indicator of whether the City's financial health is improving or deteriorating. However, it is the City's goal to provide services that improve the quality of life of the residents, not to generate profits.

For the aforementioned reason, readers need to consider many other non-financial factors, such as the condition of roads and public safety service levels in assessing the overall health of the City.

- The assets of the City plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources at the end of fiscal year 2020 by \$313,711,272. The difference between assets, liabilities, and deferred outflow/inflow of resources is referred to as net position. This is a \$6,484,958 increase from the prior year. The increase is mostly attributed to an increase in assets including cash, which saw a total increase of \$9,883,441 from the prior year. Cash increased due to large expenditure cuts due to forecasted economic impact revenue cuts, which did not materialize. Liabilities also increased \$1,073,778 over the prior year, attributed to prior year accounts payable invoices due at June 30, 2020.
- As of June 30, 2020, the city's governmental funds reported combined fund balances of \$70,952,288, a \$10,006,698 increase in comparison to the prior year. Approximately 49 percent, or \$34,621,661 of the total amount of the governmental funds' fund balances are unassigned.
- As of June 30, 2020, unassigned fund balance for the General Fund was \$34,621,726 or 72.2 percent of total General Fund balance. The fund balance increased during the year by \$3,692,815. This excess of revenues over expenditures is due to a combination of an aggressive approach to the forecasted pandemic revenue impacts resulting in conservative spending.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The City is required to present its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB) pronouncements. This annual report consists of three parts, Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. This discussion and analysis is intended to serve as an introduction to the City of Eastvale's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statement. This report also contains other supplementary information in addition to the basic financial statements themselves.



**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner that is similar to a private-sector business.

Government-wide financial statements include a statement of net position and a statement of activities. The statement of net position presents information on all of the City's assets, liabilities, and deferred outflow/inflow of resources with the difference reported as net position. Over time, increases or decreases may provide a useful indicator on whether the financial position of the City is improving or deteriorating.

The *statement of activities* provides information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, regardless of the timing of related cash flows. Under this basis of accounting, revenues and expenses are reported in the statement for some items that will only result in future cash inflows or outflows such as vacation earned but not paid and uncollected taxes.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, economic development, building and planning, animal control, and public works. The City does not have any business-type activities.

The government-wide financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds:** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of non-spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains sixteen individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Gas Tax Special Revenue Fund, and Development Impact Fees Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds, debt service fund, and capital projects fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

**Notes to the basic financial statements:** The notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the Table of Contents under the heading Notes to the Financial Statements.

**Other supplementary information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI), about the City's

General Fund and other funds budgetary comparison in addition to the Schedule of Proportionate Share of the Net Pension Liability, Schedules of Contributions – CalPERS Pension Plan for the pension plan, and Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Contributions - OPEB. The combining statements referred to earlier in connection with nonmajor governmental funds are presented for all non-major Special Revenue Funds, Debt, and Capital Projects Funds. The supplementary financial information also includes budgetary comparison schedules for the nonmajor governmental funds to demonstrate compliance with the annual budget as adopted and amended. The Required Supplementary Information can be found following the Notes to Financial Statements.

The combining statements for nonmajor governmental funds and the budgetary comparison schedules for the nonmajor funds can be found following the Required Supplementary Information.

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

### REPORTING THE CITY AS A WHOLE

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

For the fiscal year ended June 30, 2020, City assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$313,711,272 as summarized below:

<b>City of Eastvale</b>		
<b>Summary of Net Position</b>		
<b>For the Year Ended June 30, 2020</b>		
	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Assets:</b>		
Current and Other Assets	\$ 78,919,978	\$ 69,404,647
Capital Assets (net of depreciation)	246,858,191	248,861,948
Total Assets	325,778,169	318,266,595
<b>Deferred Outflows of Resources</b>	318,340	237,302
<b>Liabilities:</b>		
Current and Other Liabilities	7,760,119	6,662,176
Long-Term Liabilities	4,582,570	4,606,735
Total Liabilities	12,342,689	11,268,911
<b>Deferred Inflows of Resources</b>	42,548	8,672
<b>Net Position:</b>		
Net Investment in Capital Assets	242,422,299	244,370,308
Restricted	33,309,571	27,279,107
Unrestricted	37,979,402	35,576,899
Total Net Position	\$ 313,711,272	\$ 307,226,314

### Assets

Total assets increased \$7,511,574 as a result of two factors. The city experienced an increase in cash and investments of \$9,883,441. The City also experienced a \$2,185,757 decrease in Capital Assets due to depreciation.

**Deferred Outflows of Resources**

Deferred outflows of resources increased \$81,038 as a result of an increase in pension related items and other post-employment benefit (OPEB) related items.

**Liabilities**

Current and other liabilities increased by \$1,097,943 due to timing of public safety invoices paid to Riverside County for police and fire contracts for services provided through June 2020.

**Deferred Inflows of Resources**

Deferred inflows of resources increased \$33,876 as a result of increases in pension related items and OPEB related items, similar to deferred outflows of resources.

**Net Position**

Net investment in capital assets represents 77 percent of the City's net position. The majority of capital assets are streets and other infrastructure; consequently, these assets are not liquid or available for future spending. An additional portion of the City's net position, \$33,309,571 (ten percent) represents resources that are subject to restrictions on how they may be used, this category increased \$6,030,464 due to increases in street maintenance projects and fire operations and improvements. The remaining balance, unrestricted net position, is \$37,979,402.

**Statement of Activities:** The statement of activities shows how the City's net position changed during the fiscal year 2019-20. Provided below is a summary of changes in net position.

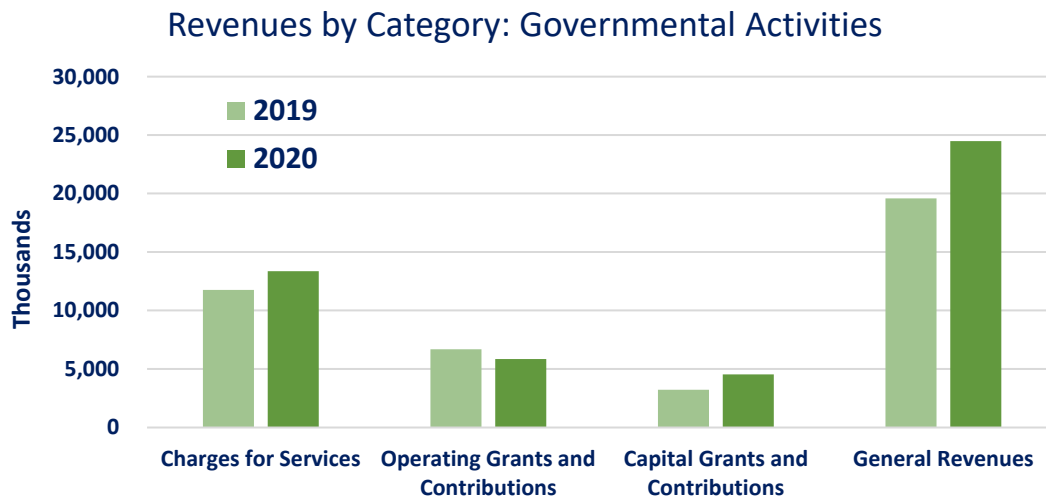
City of Eastvale			
Summary of Changes in Net Position			
For the Year Ended June 30, 2020			
	Governmental Activities		
	2020	2019	
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ 13,360,617	\$ 11,762,465	
Operating Grants and Contributions	5,845,274	6,675,977	
Capital Grants and Contributions	4,529,390	3,217,081	
General Revenues:	24,483,245	19,579,446	
Total Revenues	48,218,526	41,234,969	
<b>Expenses:</b>			
General Government	5,282,767	8,224,498	
Public Safety	16,902,661	13,429,135	
Public Works	14,013,600	10,941,423	
Community Development	4,603,183	4,258,271	
Revenue Neutrality	498,222	481,929	
Interest on Long-term Debt	433,135	0	
Total Expenses	41,733,568	36,885,256	
<b>Increase in Net Position:</b>	6,484,958	4,349,713	
Net Position, Beginning	307,226,314	302,876,601	
Net Position, Ending	\$ 313,711,272	\$ 307,226,314	



## Revenue Highlights

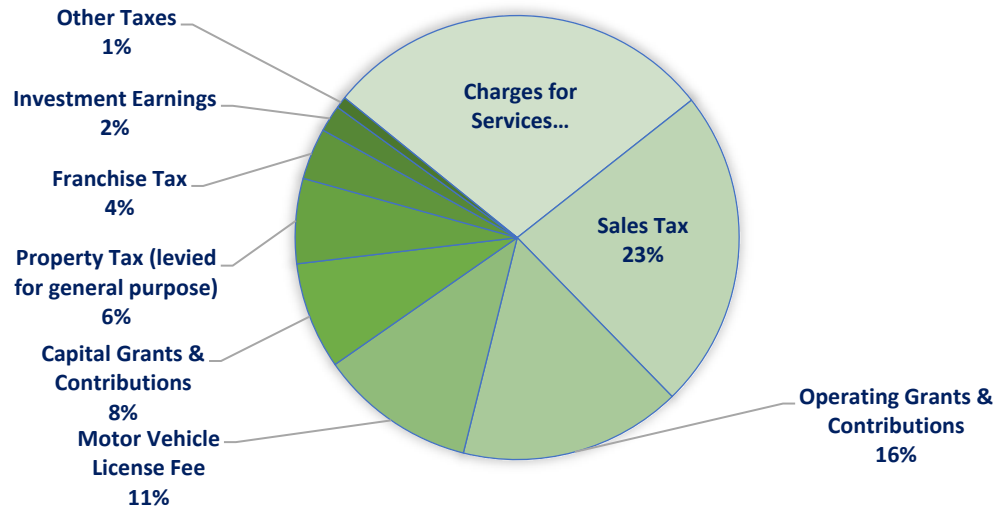
The City's total revenues were \$48,218,526 while the total cost of all programs and services was \$41,733,568. Total revenues increased \$6,983,557 from the prior year. The net increase was due several factors:

- Charges for services increased by \$1,598,152. The increase is due to a large increase in Building Safety and Planning permits, a 13.6% increase over the prior year.
- Operating grants and contributions decreased by \$830,703. The decrease in the current year is mainly due to a \$151,721 reduction in the Cal Recycle grant allocation.
- Capital grants and contributions increased by \$1,312,309, 40.8% over the prior year. Compared to the prior year, the contribution of capital assets of \$1,770,660 in 2019-2020 was significantly less compared to the capital asset contribution of \$2,904,377 in the prior year. This decrease in capital assets was due to a decrease in contributions of donated infrastructure from developers as residential development has continued to slow in the City.
- General revenues increased by \$4,903,799 in 2019-2020. The City received \$306,147 or 6.5% more in Vehicle License Fee Adjustment (VLFA) over the prior year. Also contributing to the increase in general revenues is Sales Tax revenue increasing by \$739,509 compared to prior year, an increase of 7.7% over prior year. Overall, most revenue categories increased over the prior year, except for business registration and planning fees.





## Revenues by Source: Governmental Activities

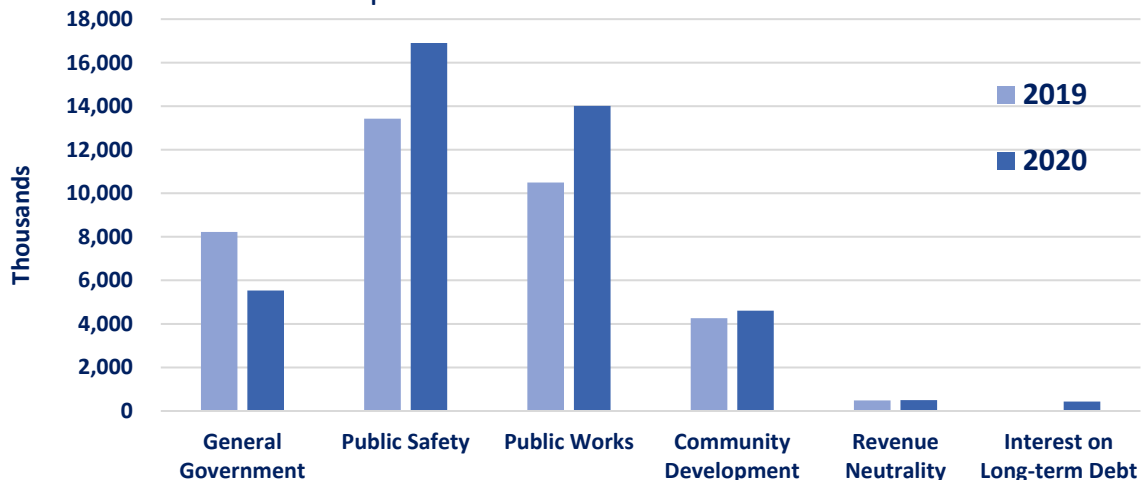


## Expense Highlights

Total expenses increased \$4,848,312 over the prior year. The increase was due to the following major factors:

- General Government decreased by \$2,941,731. The decrease was primarily due to the purchase of two properties, the Altfillisch and Polopolus properties in the prior fiscal year.
- The Public Safety increase was \$3,473,526 over prior year. Approximately \$1,621,162 was attributed fire services contract increases. Similarly, \$1,364,884 was attributed to police services contract increases. The remaining \$487,480 was attributed to overtime, vehicle and building maintenance, and law enforcement facility charges.
- The Public Works increase of \$3,072,177 was due to new and ongoing capital projects.

## Expenses: Governmental Activities



## FINANCIAL ANALYSIS OF THE FUND STATEMENTS

### REPORTING THE CITY BY SPECIFIC FUNCTIONS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. The types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. The fund statements provide information on near-term inflows, outflows and balances of spendable resources. These funds represent the reporting structure of the budget.

**Governmental Funds:** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported a combined ending fund balance of \$70,952,288 at June 30, 2020. Compared to the prior year, this is an increase of \$10,006,698. Approximately \$94,389 of the fund balance is non-spendable and represents pre-paid accounts payable. Fund balance in the amount of \$33,236,238 is restricted for the completion of special activities and capital improvement projects including restricted amounts in the fire structural fund set aside for fire operations and projects. \$3,000,000 is committed for the future City Hall Facility. The remainder of the combined fund balance is \$34,621,661 and classified as unassigned.

The General Fund is the chief operating fund of the City. At June 30, 2020, unassigned fund balance was \$34,621,726. As a measure of the General Funds' financial condition, it may be useful to compare the unassigned fund balance to total expenditures. Unassigned fund balance represents 119% of General Fund expenditures of \$27,706,066.

Provided in the section below is a summary of net changes in fund balances in addition to financial and budgetary highlights.

### **General Fund Financial and Budgetary Highlights**

Overall, General Fund revenues for fiscal year ended June 30, 2020 total \$34,169,776 compared to \$31,016,881 for the previous year. The major components of revenues are sales taxes (\$10.3 million), property taxes (\$2.9 million), franchise taxes (\$1.6 million), and motor vehicle in lieu tax (\$5.0 million). General Fund expenditures total \$27,706,066 for the fiscal year ended June 30, 2020, compared to \$25,837,660 for the previous year. It should be noted that while the city collects over \$11.4 million in property tax, a majority of the tax is not levied for general purpose, the remainder \$8.5 million is collected in the restricted fund for fire services.

As of June 30, 2020, the City's General Fund reported an excess of revenues over expenditures of \$6,463,710, compared to \$5,179,221 in 2018-19, an increase of \$1,284,489. The increase of \$1.2 million over the prior year is due to several factors including the following:

#### **General Fund Revenues**

- Additional Vehicle License Fee revenue was received in the amount of \$287,980 over the prior year.

- Sales tax revenue increased by \$739,404 compared to prior year. Economic development efforts combined with commercial and retail growth attributed to the increase.
- Investment earnings continued to increase and grew by \$1,537,960 in the General Fund over the prior year as a result of larger investment balances and strategic investment strategies.

### **General Fund Expenditures**

- Operating expenditures increased by \$1,868,406 throughout several departments:
  - Police and fire contract costs have increased approximately 14% and 28% respectively. Police services increased both due to base contract cost increases and the first full year of 10 added daily patrol hours and a new motorcycle officer. Fire services increased both due to base contract cost increases in addition to a new medic squad and staff at Station 27.
  - The General Fund also made a one-time transfer of \$912,540 to the capital improvement fund for future City Hall development and \$468,699 to the debt service fund to pay the annual principal and interest payments for the Southern California Edison (SCE) streetlight equipment lease purchase agreement and LED retrofit.

### **City of Eastvale**

### **Summary of Statement of Revenues, Expenditures, and Changes in Fund Balance**

### **General Fund**

### **For the Year Ended June 30, 2020**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>		
Taxes	\$ 22,597,633	\$ 21,259,080
Licenses, Permits, and Fees	3,389,989	3,578,840
Fines and Forfeitures	651,945	846,698
Intergovernmental	5,028,263	4,733,232
Investment Earnings	2,075,304	537,343
Other	426,642	61,688
Total Revenues	34,169,776	31,016,881
<b>Expenditures:</b>		
General Government	5,214,980	7,470,170
Public Safety	16,268,278	12,954,550
Public Works	203,234	247,972
Community Development	4,603,183	4,258,271
Revenue Neutrality	498,222	481,929
Capital Outlay	918,169	424,768
Total Expenses	27,706,066	25,837,660
Excess of Revenues over Expenditures	6,463,710	5,179,221
<b>Other Finance Sources (Uses):</b>		
Transfers In	631,506	22,109
Transfers Out	(1,381,354)	(1,000,000)
Total Other Financing Sources (Uses)	(749,848)	(977,891)
<b>Change in Fund Balances</b>	5,713,862	4,201,330
Fund Balance, Beginning of Year	42,270,948	38,069,618
Fund Balance, End of Year	\$ 47,984,810	\$ 42,270,948

**General Fund Budget Highlights**

The City's adopted general fund budget was amended throughout the fiscal year. The amendments included adjustments for various transfers between accounts, departments, programs, and funds and were authorized by the City Manager, in accordance with the budget resolution approved by Council at the time of budget adoption. Any additional appropriations in excess of the adopted budget were approved by Council throughout the fiscal year and during the mid-year budget. The revised budget for revenues totaled \$30,882,325. Expenditure revised budget totaled \$31,676,069.

**City of Eastvale****Schedule of Statement of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual - General Fund****For the Year Ended June 30, 2020**

	2020		
	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Taxes	\$ 20,637,913	\$ 22,597,633	\$ 1,959,720
Licenses, Permits, and Fees	3,718,000	3,389,989	(328,011)
Fines and Forfeitures	618,200	651,945	33,745
Intergovernmental	4,894,294	5,028,263	133,969
Investment Earnings	550,000	2,075,304	1,525,304
Other	463,918	426,642	(37,276)
Total Revenues	30,882,325	34,169,776	3,287,451
<b>Expenditures:</b>			
General Government	6,345,742	5,214,980	1,130,762
Public Safety	17,512,170	16,268,278	1,243,892
Public Works	180,600	203,234	(22,634)
Community Development	5,470,868	4,603,183	867,685
Revenue Neutrality	470,000	498,222	(28,222)
Capital Outlay	1,696,689	918,169	778,520
Total Expenses	31,676,069	27,706,066	3,970,003
Excess of Revenues over Expenditures	(793,744)	6,463,710	7,257,454
<b>Other Finance Sources (Uses):</b>			
Transfers In	542,907	631,506	88,599
Transfers Out	(1,483,240)	(1,381,354)	101,886
Total Other Financing Sources (Uses)	(940,333)	(749,848)	190,485
<b>Change in Fund Balances</b>	<b>\$ (1,734,077)</b>	<b>\$ 5,713,862</b>	<b>\$ 7,447,939</b>

In most cases, the City of Eastvale takes a conservative budgeting approach by estimating minimal growth in revenues and adopting status quo service levels year over year. As a result, General Fund actual revenues exceeded budget by \$3,287,451. The excess revenue is due to higher than anticipated sales taxes during the COVID-19 pandemic, and increased investment earnings.

Actual expenditures were under budget by \$3,970,003. General Government and Revenue Neutrality were the only governmental functions with expenditures exceeding budgeted amounts by a combined

total of \$50,0856. Public Works exceeded budget by \$22,634 due to higher than expected storm drain maintenance. Revenue neutrality is an annual mitigation payment to the County of Riverside based on a tax sharing agreement between the county and city since incorporation. This category exceeded budget by \$28,222 due to unexpected consumer price index increases.

### **Gas Tax Fund Financial and Budgetary Highlights**

As of June 30, 2020, the City's special revenue Gas Tax Fund reported ending fund balance of \$7,596,155 an increase of \$2,751,410 from the prior year due to a significant decrease from the prior year in both public works and capital outlay projects. The Gas Tax fund balance is restricted for the maintenance, rehabilitation, or improvement of the City's streets, as required by California Streets and Highways Code. Provided below is a summary of net changes in fund balance.

<b>City of Eastvale</b>		
<b>Summary of Statement of Revenues, Expenditures, and Changes in Fund Balance</b>		
<b>Gas Tax Fund</b>		
<b>For the Year Ended June 30, 2020</b>		
	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>		
Taxes	\$ 1,144,465	\$ 1,262,463
Intergovernmental	1,507,010	1,255,512
Investment Earnings	324,001	55,477
Other	1,557,603	
Total Revenues	4,533,079	2,573,452
<b>Expenditures:</b>		
Public Works	1,093,176	1,123,385
Capital Outlay	166,324	3,222,934
Total Expenditures	1,259,500	4,346,319
Excess of Revenues over Expenditures	3,273,579	(1,772,867)
<b>Other Finance Sources (Uses):</b>		
Transfers Out	(522,169)	0
Total Other Financing Sources (Uses)	(522,169)	0
<b>Change in Fund Balances</b>	2,751,410	(1,772,867)
Fund Balance, Beginning of Year	4,844,745	6,617,612
Fund Balance, End of Year	\$ 7,596,155	\$ 4,844,745

As of June 30, 2020, the City's Gas Tax Fund reported an excess of revenues over expenditures of \$3,273,579, compared to a negative balance of \$1,772,867 in the prior year. The city has \$457,280 in accounts payable liabilities due to contract services invoices and traffic signal electric bills.

### **Gas Tax Fund Revenues**

- SB1 Road Maintenance and Rehabilitation Account (RMRA) increased Gas Tax funding in the amount of \$251,497. This new State revenue first received in fiscal year 2017-18 is anticipated to continue in future years.

**Gas Tax Fund Expenditures**

- Road maintenance and street sweeping operational costs decreased by \$39,780. This is due to a timing issue with the June 2020 invoices, which were not paid until the following fiscal year.
- Signal and sign maintenance utilities decreased by \$72,420 due to the installation of automatic license plate readers in the prior fiscal year. Accompanying electric and telephone utilities increased by \$12,196.
- Capital outlay decreased by \$3,056,611 due to the timing of completion of street improvement projects throughout the City in the following fiscal year and the completion of the Hamner Avenue widening project in the prior fiscal year.

**Development Impact Fees Fund Financial and Budgetary Highlights**

As of June 30, 2020, the City's Development Impact Fees Fund reported ending fund balance of \$1,645,100 a decrease of \$806,135 from the prior year due continued capital improvement projects and a reduction in revenues for the current fiscal year. The Development Impact Fees fund balance is restricted for use specific to the guidance issued under AB1600 and cannot be utilized for general city services. Provided below is a summary of net changes in fund balance.

<b>City of Eastvale</b>		
<b>Summary of Statement of Revenues, Expenditures, and Changes in Fund Balance</b>		
<b>Development Impact Fees Fund</b>		
<b>For the Year Ended June 30, 2020</b>		
	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>		
Development Impact Fees	\$ 805,577	\$ 312,702
Investment Earnings	189,484	40,248
Total Revenues	995,061	352,950
<b>Expenditures:</b>		
Public Works	1,760,409	0
Capital Outlay	33,472	3,019,036
Total Expenditures	1,793,881	3,019,036
Excess (Deficiency) of Revenues over Expenditures	(798,820)	(2,666,086)
<b>Other Finance Sources (Uses):</b>		
Transfers In	0	0
Transfers Out	(7,315)	(8,663)
Total Other Financing Sources (Uses)	(7,315)	
<b>Change in Fund Balances</b>	(806,135)	(2,674,749)
Fund Balance, Beginning of Year	2,451,235	5,125,984
Fund Balance, End of Year	\$ 1,645,100	\$ 2,451,235

As of June 30, 2020, the City's Development Impact Fees Fund reported deficiency of revenues over expenditures of \$798,820, compared to a balance of (\$2,666,086) in the prior year. This is due to approved projects that recently commenced that are utilizing fund balance.

**Development Impact Fee Expenditures**

- The Public Works expenditures of \$1,760,409 were primarily for infrastructure improvements and landscaping for the civic center project at Hamner Place.
- The capital outlay expenditures of \$33,472 were for the accessible pedestrian signal and pedestrian countdown sign installation project throughout the City.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets:** City investment in capital assets for its governmental activities as of June 30, 2020, amounted to \$242,422,299 (net of accumulated depreciation and related debt). Additional information on the City's capital assets can be found in Note 6 to the basic financial statements.

Major capital assets events during the current fiscal year included the following:

- Several construction projects are in various stages of completion. Construction in progress had an increase of \$194,365, primarily due the Limonite gap closure project, road and storm drain improvements in zone 2, annual street overlay projects, and accessible pedestrian signal and countdown installation projects.
- Reductions to infrastructure in the amount of \$2,638,713 attributable depreciation.
- Machinery and equipment increased by \$633,563 due to the completion of the automatic license plate reader installation project.

Capital assets are summarized below, additional information can be found in Note 6 to the basic financial statements.

**City of Eastvale**  
**Summary of Capital Assets (net of depreciation)**  
**For the Year Ended June 30, 2020**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 10,534,721	\$ 10,534,721
Construction in Progress	3,889,538	3,695,173
Buildings	7,786,386	7,820,937
Vehicles	324,806	445,035
Furniture and Fixtures	50,580	56,795
Machinery and Equipment	715,568	82,005
Software	48,785	80,762
Infrastructure	223,507,807	226,146,520
Total Capital Assets	\$ 246,858,191	\$ 248,861,948

**Long-term debt:** At the end of fiscal year 2020, the City's total outstanding long-term debt was \$4,582,570. The City entered into an equipment lease agreement in order to purchase streetlights from Southern California Edison in September 2018. The purchase allowed the city to reduce electricity costs by retrofitting existing streetlamps to LED efficient lamps. The City began payments on the loan payable starting in fiscal year 2019-20 and as a result, the outstanding amount decreased by \$55,748. Net pension liability also increased by \$22,031 due to investment losses by the City's retirement provider,



California Public Employees' Retirement System. Outstanding long-term debt of the City is summarized below, additional information can be found in Note 7 to the basic financial statements.

<b>City of Eastvale</b>		
<b>Summary of Outstanding Long-Term Debt</b>		
<b>For the Year Ended June 30, 2020</b>		
	<b>2020</b>	<b>2019</b>
Compensated Absences	\$ 95,460	\$ 75,882
Loan Payable, Direct Borrowing	4,435,892	4,491,640
Net Pension Liability	51,218	29,187
Net OPEB Liability	0	10,026
Total Long-Term Debt	\$ 4,582,570	\$ 4,606,735

## ECONOMIC FACTORS AND OUTLOOK FOR FUTURE YEARS

Although the focus of this annual report is the economic condition of the City for the fiscal year ended June 30, 2020, during the preparation of the fiscal year 2020-21 budget, management considered the possible impacts of the California State budget, national economies, and local COVID-19 pandemic related economic impacts will have on the City's budget.

After the adoption of the city's Fiscal Year 2011-2012 Budget, the State of California on June 28, 2011 approved SB 89 which eliminated Vehicle License Fees, which was a subvention collected by the State and allocated to cities based on population. The City of Eastvale lost approximately \$12.6 million for fiscal years 2011-12 through 2014-15, and approximately \$2.6 million per year thereafter. Funding was finally restored during fiscal year 2017-18 through the passage of Senate Bill (SB) 130 signed May 12, 2017. In subsequent years, the VLF Adjustment amounts will increase based on the growth in assessed valuation in the jurisdictions, just like all other cities. Although the restoration of VLF helped the City to solve the problem of service expenditures exceeding revenue, it has caused a different issue. The voters approved the City's first permanent Gann Appropriations Limit in 2012, however the calculation method, governed by the state, did not include VLF Adjustment revenue. As a result, without a temporary, voter-approved Gann Appropriations Limit increase, the City may not be able to budget for the already in place and increasing revenue streams and subsequently may not be able to budget additional service related expenditures as the City continues to grow. The City is taking a Gann Appropriations Limit increase to the voters in March 2021.

The fiscal year 2020-21 City budget was prepared conservatively considering potential COVID-19 pandemic economic impacts. The City's sales tax consultant projected that the City could lose up to \$1.7 million in sales tax revenues. Over time, the City's sales tax revenues have steadily increased and the sales tax category is now the City's number one revenue category, occupying approximately 37% of total General Fund revenues. Balancing the budget became a challenge. Per City policy, General Fund unassigned fund balance may be appropriated for one-time expenditures. Total General Fund expenditures exceed revenues by \$964,614. However, the fiscal year 2020-21 budget includes \$1.52 million in transfers out to the General Capital Projects Fund for the Civic Center/Library Project, the Eastvale 2040 (General Plan) project, a policy motorcycle replacement, and an additional \$290,000 transfer to cover a fund balance deficit in the fund. These are all one-time expenditures. Net of Capital Projects Fund transfers, the General Fund has an operating surplus of \$573,386.



With the analysis complete for the fiscal year 2020-21 first quarter interim financial report, sales tax revenues look promising despite COVID-19 pandemic economic impacts. Quarterly budget for sales tax is approximately \$2.1 million and receivables are approximately \$2.9 million for the quarter. Assuming economic conditions remain stable, sales tax revenues are expected to continue to increase as additional shopping centers such as the Merge, Hamner Place, and the Goodman Commerce Center continue to come online. The City's first hotel at Hamner Place is under construction and will lead to new Transient Occupancy Tax (TOT) revenues. Property tax values have remained stable with slight increases year over year.

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## REQUEST FOR INFORMATION

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This financial report is designed to provide a general overview of the City's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City Clerk of Eastvale, 12363 Limonite Ave., Suite 910, Eastvale, CA 91752, or call (951) 361-0900.

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## **BASIC FINANCIAL STATEMENTS**



**City of Eastvale**  
**Statement of Net Position**  
June 30, 2020

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 73,537,815
Receivables:	
Accounts	56,665
Intergovernmental	4,996,726
Interest	207,041
Prepaid Items	94,389
Net OPEB Asset	27,342
Capital Assets:	
Land and Construction in Progress	14,424,259
Other Capital Assets, Net of Accumulated Depreciation	232,433,932
	<hr/>
Total Assets	325,778,169
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related Items	297,082
OPEB Related Items	21,258
	<hr/>
Total Deferred Outflows of Resources	318,340
	<hr/>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Liabilities	7,739,936
Accrued Interest Payable	20,183
Noncurrent Liabilities:	
Due Within One Year	253,456
Due in More Than One Year	4,329,114
	<hr/>
Total Liabilities	12,342,689
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related Items	895
OPEB Related Items	41,653
	<hr/>
Total Deferred Inflows of Resources	42,548
	<hr/>
<b>NET POSITION</b>	
Net Investments in Capital Assets	242,422,299
Restricted:	
Street Maintenance/Projects	18,956,600
Capital Projects City Facilities	876,484
Fire Operations/Improvements	10,268,695
Other Purposes	3,207,792
Unrestricted	37,979,402
	<hr/>
Total Net Position	\$ 313,711,272
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

**City of Eastvale**  
**Statement of Activities**  
For the Year Ended June 30, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 5,282,767	\$ 95,109	\$ 55,876	\$ -	\$ (5,131,782)
Public Safety	16,902,661	7,607,979	156,091	-	(9,138,591)
Public Works	14,013,600	2,532,862	5,434,480	3,723,813	(2,322,445)
Community Development	4,603,183	3,124,667	198,827	805,577	(474,112)
Revenue Neutrality	498,222	-	-	-	(498,222)
Interest on Long-term Debt	433,135	-	-	-	(433,135)
Total Governmental Activities	<u>\$ 41,733,568</u>	<u>\$ 13,360,617</u>	<u>\$ 5,845,274</u>	<u>\$ 4,529,390</u>	<u>(17,998,287)</u>
General Revenues:					
Taxes:					
Property Tax, Levied for General Purpose					2,909,540
Franchise Tax					1,644,840
Sales Tax					10,349,084
Other Taxes					313,416
Motor Vehicle in Lieu Tax (Intergovernmental/Unrestricted)					5,006,406
Investment Earnings					3,015,033
Other					<u>1,244,926</u>
Total General Revenues					<u>24,483,245</u>
Change in Net Position					6,484,958
Net Position - Beginning of Year					<u>307,226,314</u>
Net Position - End of Year					<u>\$ 313,711,272</u>

The accompanying notes are an integral part of this statement.

**City of Eastvale**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2020

	General	Special Revenue Funds		Total Non-Major Governmental Funds	Total Governmental Funds
		Gas Tax	Development Impact Fees		
<b>ASSETS</b>					
Cash and Investments	\$ 49,160,040	\$ 7,855,514	\$ 2,630,026	\$ 13,892,235	\$ 73,537,815
Receivables:					
Accounts	56,665	-	-	-	56,665
Intergovernmental	3,751,801	174,766	-	1,070,159	4,996,726
Interest	145,522	23,155	15,291	23,073	207,041
Due from Other Funds	510,364	-	-	-	510,364
Prepaid Items	94,389	-	-	-	94,389
Total Assets	<u>\$ 53,718,781</u>	<u>\$ 8,053,435</u>	<u>\$ 2,645,317</u>	<u>\$ 14,985,467</u>	<u>\$ 79,403,000</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 5,417,834	\$ 457,280	\$ 1,000,217	\$ 747,077	\$ 7,622,408
Accrued Liabilities	117,528	-	-	-	117,528
Due to Other Funds	-	-	-	510,364	510,364
Total Liabilities	<u>5,535,362</u>	<u>457,280</u>	<u>1,000,217</u>	<u>1,257,441</u>	<u>8,250,300</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Taxes & Assessments	198,609	-	-	1,803	200,412
Total Deferred Inflows of Resources	<u>198,609</u>	<u>-</u>	<u>-</u>	<u>1,803</u>	<u>200,412</u>
<b>FUND BALANCES</b>					
Nonspendable	94,389	-	-	-	94,389
Restricted	10,268,695	7,596,155	1,645,100	13,726,288	33,236,238
Committed	3,000,000	-	-	-	3,000,000
Unassigned	34,621,726	-	-	(65)	34,621,661
Total Fund Balances	<u>47,984,810</u>	<u>7,596,155</u>	<u>1,645,100</u>	<u>13,726,223</u>	<u>70,952,288</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 53,718,781</u>	<u>\$ 8,053,435</u>	<u>\$ 2,645,317</u>	<u>\$ 14,985,467</u>	<u>\$ 79,403,000</u>

The accompanying notes are an integral part of this statement.

**City of Eastvale**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
June 30, 2020

Fund Balances of Governmental Funds	\$ 70,952,288
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Long-term assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	
Capital Assets	246,858,191
Accrued interest is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(20,183)
Deferred inflows of resources not available to liquidate liabilities of the current period are not recognized in the funds.	200,412
Deferred outflows and inflows of resources related to pensions and OPEB that are required to be recognized over a defined closed period.	
Pension Related Deferred Outflows of Resources	297,082
Pension Related Deferred Inflows of Resources	(895)
OPEB Related Deferred Outflows of Resources	21,258
OPEB Related Deferred Inflows of Resources	(41,653)
Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported in as fund liabilities. All liabilities, both current and long-term are reported in the statement of net position.	
Compensated Absences	(95,460)
Loans Payable	(4,435,892)
Net Pension Liability	(51,218)
Net OPEB Liability (Asset)	27,342
Net Position of Governmental Activities	<u><u>\$ 313,711,272</u></u>



**City of Eastvale**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended June 30, 2020

	General	Special Revenue Funds		Total Nonmajor Governmental Funds	Total Governmental Funds
		Gas Tax	Development Impact Fees		
<b>REVENUES</b>					
Taxes	\$ 22,597,633	\$ 1,144,465	\$ -	\$ -	\$ 23,742,098
Licenses, Permits and Fees	3,389,989	-	-	-	3,389,989
Fines and Forfeitures	651,945	-	-	-	651,945
Intergovernmental	5,028,263	1,507,010	-	5,319,918	11,855,191
Development Impact Fees	-	-	805,577	323,348	1,128,925
Assessments	-	-	-	323,756	323,756
Investment Earnings	2,075,304	324,001	189,484	426,244	3,015,033
Other	426,642	1,557,603	-	-	1,984,245
Total Revenues	34,169,776	4,533,079	995,061	6,393,266	46,091,182
<b>EXPENDITURES</b>					
Current:					
General Government	5,214,980	-	-	33,579	5,248,559
Public Safety	16,268,278	-	-	199,152	16,467,430
Public Works	203,234	1,093,176	1,760,409	82,609	3,139,428
Community Development	4,603,183	-	-	-	4,603,183
Revenue Neutrality	498,222	-	-	-	498,222
Capital Outlay	918,169	166,324	33,472	4,540,997	5,658,962
Debt Service:					
Principal Retirement	-	-	-	55,748	55,748
Interest	-	-	-	412,952	412,952
Total Expenditures	27,706,066	1,259,500	1,793,881	5,325,037	36,084,484
Excess (Deficiency) of Revenues over Expenditures	6,463,710	3,273,579	(798,820)	1,068,229	10,006,698
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	631,506	-	-	1,465,049	2,096,555
Transfers Out	(1,381,354)	(522,169)	(7,315)	(185,717)	(2,096,555)
Total Other Financing Sources (Uses)	(749,848)	(522,169)	(7,315)	1,279,332	-
Net Change in Fund Balances	5,713,862	2,751,410	(806,135)	2,347,561	10,006,698
Fund Balances - Beginning of Year	42,270,948	4,844,745	2,451,235	11,378,662	60,945,590
Fund Balances - End of Year	\$ 47,984,810	\$ 7,596,155	\$ 1,645,100	\$ 13,726,223	\$ 70,952,288

The accompanying notes are an integral part of this statement.

**City of Eastvale**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
For the Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	10,006,698
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Amounts reported for governmental activities in the statement of activities are different because:

Earned unavailable revenue and other resources not available to liquidate liabilities of the current period are not recognized in governmental funds. Revenues in the statement of activities is not limited by availability, so certain revenues need to be increased by the amounts that were unavailable at the end of the year.		(1,596,469)
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Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not current financial resources.		3,723,813
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized		2,122,066
Depreciation expense		(7,849,636)

The issuance of long-term debt provides current financial resources to governmental funds. Repayment of long-term debt is an expenditure in in governmental funds, but repayment reduces long-term liabilities in the statement of net position.

Principal Paid on Loan Payable		55,748
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Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Net Change in Accrued Interest Payable		(20,183)
Net Change in Compensated Absences		(19,578)
Net Change in Net Pension Liability (Asset)		(22,031)
Net Change in Net OPEB Liability (Asset)		37,368
Net Change in Pension Related Deferred Outflows and Inflows of Resources		85,315
Net Change in OPEB Related Deferred Outflows and Inflows of Resources		(38,153)

Change in Net Position of Governmental Activities	\$	6,484,958
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**City of Eastvale**  
**Statement of Fiduciary Assets and Liabilities**  
June 30, 2020

	Agency Fund
<b>ASSETS</b>	
Cash and Investments	\$ 2,400,724
Total Assets	\$ 2,400,724
<b>LIABILITIES</b>	
Accounts Payable	\$ 158,155
Deposits	2,242,569
Total Liabilities	\$ 2,400,724

The accompanying notes are an integral part of this statement.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**I.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Note 1: Organization and Summary of Significant Accounting Policies**

**a. Description of the Reporting Entity**

The City of Eastvale (City) was incorporated on October 1, 2010, under the laws of the State of California and enjoys all the rights and privileges pertaining to “General Law” cities. The City operates under a council-manager form of government and currently provides a wide variety of services to its citizens, including public safety, public works, community development, general administrative and other services. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be incomplete. Under this definition, it is determined that there are no component units for this reporting entity, and these financial statements present the financial reporting entity that consisted solely of the City as the primary government.

**b. Government-wide and Fund Financial Statements**

The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Currently, the City does not have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City does not have any proprietary funds.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Accordingly, all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges or services, 2) operating grants and contributions, and 3) capital grants and contributions.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified-accrual basis of accounting, revenues are recognized in these funds when susceptible to accrual (i.e. when they are both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers property taxes collected after year-end as available, if they are collected within 60 days of the end of the current fiscal period. Other revenue susceptible to accrual includes sales tax, state gasoline taxes, investment earnings, and certain other intergovernmental revenues. Expenditures in the governmental funds are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, as well as compensated absences and claims and judgments, which are recognized when due.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government not accounted and reported in another fund.

The *Special Revenue Fund (Gas Tax)* is used to account for the maintenance, rehabilitation, or improvement of public streets of the City. Financing is through the State Highway Users Tax Sections 2103, 2105, 2106, 2107, and 2107.5 of the California Streets and Highways Code and Road Maintenance and Rehabilitation Program Section 2032(h) of the California Streets and Highways Code.

The *Special Revenue Fund (Development Impact Fees)* is used to account for the receipt of fees for development related activities such as infrastructure and public facilities.

Additionally, the City reports the following fund type:

The *Agency Fund* is used to account for the resources held by the City in a fiduciary capacity for developer deposits received for various planning and building projects.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for the effect of interfund services provided and used.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, general revenues include all unrestricted taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use the restricted resources first, and then unrestricted, as they are needed.

**Other Accounting Policies**

***Deposits and Investments***

The City cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value. The City's policy is to hold investments until maturity or until market values equal or exceed cost.

***Interfund Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding are reported in the government-wide financial statements as "internal balances".

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. The City uses the consumption method for prepaid items in the governmental funds.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

***Capital Assets***

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than or equal to \$5,000 (amount not rounded) and an estimated useful life of at least two years. Such assets are recorded at the historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value rather than fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's lives are not capitalized.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Leasehold Improvements	10 years
Infrastructure	10 to 65 years
Vehicles	5 to 10 years
Office Equipment	5 to 10 years
Computer Equipment	5 years

***Use of Estimates***

The financial statements have been prepared in accordance with generally accepted accounting principles accepted in the United States of America and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

***Compensated Absences***

The City provides to its employees a comprehensive annual leave program. Leave pay is payable at the time it is taken or upon termination.

The total amount of liability for compensated absences is segregated between short-term and long-term with both portions reflected in the government-wide statements. The short-term portion is determined to be the amount due to employees for future absences which is attributable to services already rendered and which is expected to be paid during the next fiscal year.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

***Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. The City has not issued bonds and currently has no bonds payable.

***Property Taxes***

The County of Riverside collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding, the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1<sup>st</sup> to June 30<sup>th</sup>. All secured personal property taxes and one-half of the taxes on real property are due November 1<sup>st</sup>, the second installment is due February 1<sup>st</sup>. All taxes are delinquent, if unpaid, on December 10<sup>th</sup> and April 10<sup>th</sup> respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31<sup>st</sup>.

***Unearned Revenues***

In the government-wide financial statements and the fund financial statements, unearned revenues represent cash advances by various grantors that have not been spent; therefore no revenue has been recognized.

***Fund Equity***

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.



**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

***Fund Equity - Continued***

Committed - amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority, an adoption of an ordinance; to be reported as committed, amounts cannot be used for any other purpose unless the City Council takes the same highest level action (the adoption of another ordinance) to remove or change the constraint.

Assigned - amounts a government intends to use for a specific purpose; the City Council has delegated the authority to assign unrestricted fund balance to the City Manager or the City Manager's designee, per the City Council "Fund Balance Reserve Policy".

Unassigned - amount that are for any purpose; positive amounts are reported only in a general fund.

The City Council may establish (and modify or rescind) fund balance commitments by passage of an ordinance.

The City has established a General Fund minimum fund balance policy as follows:

At the end of each fiscal year, the General Fund should have a minimum fund balance of 50% of the next year's General Fund annual budgeted operating expenditures, as calculated by the Finance Director. This target amount has been established in order to provide a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then. The City has deferred outflows related to pensions and other postemployment benefits, which arise only under a full accrual basis of accounting. Accordingly, these items (*pension and other postemployment benefits*), are reported only in the government-wide statement of net position. This includes pension and other postemployment benefits contributions subsequent to the measurement date of the net liabilities and other amounts (see Notes 9 and 10, respectively), which are amortized by an actuarial determined period.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

***Deferred Outflows/Inflows of Resources - Continued***

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the government funds balance sheet. The governmental funds report unavailable revenues from these sources: property taxes, special assessments, grant revenues and Measure A revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of resources related to pensions and OPEB, which arises only under a full accrual basis of accounting. Accordingly, these items (*pension and other postemployment benefit related items*), are reported only in the government-wide statement of net position. These amounts (see Notes 9 and 10, respectively) are amortized by an actuarial determined period.

***Pensions***

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) Plan (Plan) and additional to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Other Postemployment Benefits - OPEB***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

***Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements***

Governmental Accounting Standard Board Statement No. 84

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This statement establishes the criteria for identifying fiduciary activities which should be reported in a fiduciary fund in the basic financial statements. The fiduciary funds that should be reported, if applicable: a) pensions trust funds, b) investment trust funds, c) private purpose trust funds, d) custodial funds. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2019. The impact of the implementation of this statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, *Leases*. The intent of this statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after June 15, 2021, and for all reporting periods thereafter. The City has elected not to early implement GASB No. 87 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 89

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement was issued to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for fiscal years beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2020. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

***Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements***

Governmental Accounting Standard Board Statement No. 90

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. This Statement was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for fiscal years beginning after December 15, 2018. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2019. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 91

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement was issued to improve financial reporting for certain debt obligations. It allowed entities to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for fiscal years beginning December 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2021. The impact of the implementation of this statement to the City's financial statements has not been assessed at this time.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

***Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements***

Governmental Accounting Standard Board Statement No. 92

In January of 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This includes GASB Statement No. 87, GASB Statement No. 73, GASB Statement No. 74, GASB Statement No. 84 and the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition as well as other specific provisions. The requirements related to GASB Statement No. 87 are effective upon the issuance date of Statement No. 92. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 6-10 and 12 for reporting periods beginning after June 15, 2021. The City has elected not to early implement GASB No. 92 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 93

In March of 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address those and other accounting and financial reporting implications that results from the replacement of an Interbank Offered Rates (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 13 and 14 for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. The City has elected not to early implement GASB No. 93 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 94

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The City has elected not to early implement GASB No. 94 and has not determined its effect on the City's financial statements.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

***Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements***

Governmental Accounting Standard Board Statement No. 95

In May of 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides which are as follows:

- a. Statement 83 - Reporting periods beginning after June 15, 2019.
- b. Statement 84 and Implementation Guide 2019-2 - Reporting periods beginning after December 15, 2019.
- c. Statement 87 and Implementation Guide 2019-3 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- d. Statement 88 - Reporting periods beginning after June 15, 2019.
- e. Statement 89 - Reporting periods beginning after December 15, 2020.
- f. Statement 90 - Reporting periods beginning after December 15, 2019.
- g. Statement 91 - Reporting periods beginning after December 15, 2021.
- h. Statement 92, paragraphs 6 and 7 - Fiscal years beginning after June 15, 2021.
- i. Statement 92, paragraphs 8, 9, and 12 - Reporting periods beginning after June 15, 2021.
- j. Statement 92, paragraph 10 - Government acquisitions occurring in reporting periods beginning after June 15, 2021.
- k. Statement 93, paragraphs 13 and 14 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- l. Implementation Guide 2017-3, Questions 4.484 and 4.491 - The first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019.
- m. Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245, and 5.1-5.4 - Actuarial valuations as of December 15, 2018, or later.
- n. Implementation Guide 2018-1 - Reporting periods beginning after June 15, 2019.
- o. Implementation Guide 2019-1 - Reporting periods beginning after June 15, 2020.

Statement No. 95 is effective immediately. The City has elected to delay certain provisions in the GASB Statements as allowed by GASB Statement No. 95.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 1: Organization and Summary of Significant Accounting Policies - Continued**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

***Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements***

Governmental Accounting Standard Board Statement No. 96

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 95 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The City has elected not to early implement GASB No. 96 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 97

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined pension and OPEB plans as fiduciary component units; and (3) enhance the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. All other requirements are effective for fiscal years beginning after June 15, 2021. The City has elected not to early implement GASB No. 97 and has not determined its effect on the City's financial statements.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**II.) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Note 2: Budgetary Information**

The City prepares its budgets on the basis of estimated actual expenditures and, accordingly, the budget amounts included in the accompanying financial statements are presented on a basis consistent with generally accepted accounting principles.

Each year, the City Manager submits a proposed budget to the City Council during May. The City Council holds budget hearings during May and June. The final budget is adopted by the City Council in June.

No budget expenditures can be disbursed without proper appropriations. Once the budget is adopted, no additional funds can be authorized without the City Council's approval. The level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the individual fund level. The City Manager can authorize budget transfers between departments without additional appropriations.

Throughout the year, budgeted expenditures are reviewed and projections are made by the City Manager. Therefore, any necessary changes are submitted for approval to the City Council with a recorded action for any budget adjustments.

Formal budgetary integration is employed as a management control device during the year for all the Governmental Type Funds. Budgets for all the Governmental Type Funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted and as further amended by the City Council.

The following funds had expenditures in excess of appropriations:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Supplemental Law Enforcement			
Services Fund	\$ 65,000	\$ 199,152	\$ (134,152)
Lighting and Landscape Maintenance			
District	\$ -	\$ 64,401	\$ (64,401)
Benefit Assessment Fund	\$ -	\$ 2,529	\$ (2,529)
Community Development Block Grant			
Fund	\$ -	\$ 815	\$ (815)
CARES Act Grant Fund	\$ -	\$ 31,197	\$ (31,197)
TUMF Reimbursement Fund	\$ -	\$ 1,557,661	\$ (1,557,661)
TDA Fund	\$ -	\$ 73,333	\$ (73,333)



**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**III.) DETAILED NOTES ON ALL FUNDS**

**Note 3: Cash and Investments**

Cash and investments at June 30, 2020 are classified in the accompanying financial statements as follow:

Statement of Net Position:	
Cash and Investments	\$ 73,537,815
Statement of Fiduciary Assets and Liabilities:	
Cash and Investments	<u>2,400,724</u>
 Total Cash and Investments	 <u><u>\$ 75,938,539</u></u>

Cash and investments as of June 30, 2020 consist of the following:

Cash on Hand	\$ 800
Deposits with Financial Institutions	22,580,028
Investments	<u>53,357,711</u>
 Total Cash and Investments	 <u><u>\$ 75,938,539</u></u>

The City follows the practice of pooling cash and investments of all funds. Investment earnings earned on pooled cash and investments is allocated quarterly to the various funds based on cash balances.

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

***Authorized Investments***

The following table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 3: Cash and Investments - Continued**

***Authorized Investments - Continued***

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasuries	5 years	None	None
Money Market Mutual Funds	N/A	20%	5%
Certificates of Deposit	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investment Pools	N/A	None	None
Federal Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	10%
Medium-Term Notes	5 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Municipal Obligations	5 years	30%	5%
Asset-Backed Securities	5 years	20%	5%

***Disclosures Relating to Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuation are presented below:

Investment Type	Total	12 Months Or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	\$ 3,308,545	\$ 3,308,545	\$ -	\$ -
CAMP	10,353,760	10,353,760	-	-
Money Market Mutual Funds	1,229,361	1,229,361	-	-
Federal Agency Securities	23,095,369	-	616,963	22,478,406
Commercial Paper	13,413,433	2,922,444	4,212,766	6,278,223
Medium-Term Notes	1,473,736	955,318	518,418	-
Municipal Issues	483,507	-	-	483,507
Total	<u>\$ 53,357,711</u>	<u>\$ 18,769,428</u>	<u>\$ 5,348,147</u>	<u>\$ 29,240,136</u>

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 3: Cash and Investments - Continued**

Information about the minimum rating required by the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as of year-end for each type of investment held by the City can be found below:

Investment Type		Minimum Legal Rating	Ratings as of Year End			
			AAA	AA	A	Not Rated
Local Agency Investment Fund	\$ 3,308,545	N/A	\$ -	\$ -	\$ -	\$ 3,308,545
CAMP	10,353,760	N/A	-	-	-	10,353,760
Money Market Mutual Funds	1,229,361	N/A	-	-	-	1,229,361
Federal Agency Securities	23,095,369	N/A	21,268,219	1,149,615	-	677,535
Commercial Paper	13,413,433	A	2,302,295	2,191,047	4,510,426	4,409,665
Medium-Term Notes	1,473,736	A	1,473,736	-	-	-
Municipal Issues	<u>483,507</u>	N/A	<u>103,160</u>	<u>380,347</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 53,357,711</u>		<u>\$ 25,147,410</u>	<u>\$ 3,721,009</u>	<u>\$ 4,510,426</u>	<u>\$ 19,978,866</u>

***Concentration of Credit Risk***

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	Federal Agency Securities	\$ 2,897,764
Federal Home Loan Mortgage Corp	Federal Agency Securities	\$ 3,134,554

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2020, the City had deposits of \$24,502,199 with financial institutions in excess of federal depository insurance limits that were held in collateralized accounts.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 3: Cash and Investments - Continued**

***Investment in Investment Pools***

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The maximum investment in LAIF is \$75,000,000.

**Investment in California Asset Management Program**

The California Asset Management Program (the CAMP) is a public joint powers authority which provides California Public Agencies with investment management services for surplus funds and comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt financings. The CAMP currently offers the Cash Reserve Portfolio, a short-term investment portfolio, as a means for Public Agencies to invest these funds. Public Agencies that invest in the Pool (Participants) purchase shares of beneficial interest. Participants may also establish individual, professionally managed investment accounts (Individual Portfolios) by separate agreement with the Investment Advisor. The City has a separate account in the Investment Advisor to manage part of the CAMP portfolio.

Investments in the Pools and Individual Portfolios are made only in investments in which Public Agencies generally are permitted by California statute. The CAMP may reject any investment and may limit the size of a Participant's account. The Pool seeks to maintain, but does not guarantee, a constant net asset value of \$1.00 per share. A Participant may withdraw funds from its Pool accounts at any time by check or wire transfers. Requests for wire transfers must be made by 9:00 a.m. that day. Fair value of the Pool is determined by the fair value per share of the Pool's underlying portfolio.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 4: Fair Value Measurements**

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

*Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

*Level 2* inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

*Level 3* inputs are unobservable inputs for the asset or liability.

Fair value of assets measured on a recurring basis at June 30, 2020, are as follows:

Investment Type	Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized
Local Agency Investment Fund	\$ 3,308,545	\$ -	\$ -	\$ 3,308,545
CAMP	10,353,760	-	-	10,353,760
Money Market Mutual Funds	1,229,361	-	1,229,361	-
Federal Agency Securities	23,095,369	-	23,095,369	-
Commercial Paper	13,413,433	-	13,413,433	-
Medium-Term Notes	1,473,736	-	1,473,736	-
Municipal Issues	483,507	-	483,507	-
Total	<u>\$ 53,357,711</u>	<u>\$ -</u>	<u>\$ 39,695,406</u>	<u>\$ 13,662,305</u>

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 4: Fair Value Measurements - Continued**

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices.

Uncategorized investments do not fall under the fair value hierarchy as there is no active market for the investments.

**Note 5: Interfund Receivables, Payables and Transfers**

**Due To/From Other Funds**

Current interfund balances at June 30, 2020 consisted of the following:

Due From Other Funds	Due To Other Funds	Amount
General Fund	Nonmajor Governmental Funds	\$ 510,364

The Due to General Fund from the Nonmajor Governmental Fund was a result of temporary cash shortfalls recorded in those funds.

Interfund transfers are as follows:

Transfers In	Transfers Out				Total
	General Fund	Gas Tax	Development Impact Fee	Non-major Governmental Funds	
General Fund	\$ -	\$ 522,169	\$ 7,315	\$ 102,022	\$ 631,506
Non-Major Governmental Funds	1,381,354	-	-	83,695	1,465,049
Total	<u>\$ 1,381,354</u>	<u>\$ 522,169</u>	<u>\$ 7,315</u>	<u>\$ 185,717</u>	<u>\$ 2,096,555</u>

Transfers are used to provide services and construct assets between funds.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 6: Capital Assets**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 10,534,721	\$ -	\$ -	\$ 10,534,721
Construction in Progress	3,695,173	3,968,782	3,774,417	3,889,538
Total Capital Assets, Not Being Depreciated	14,229,894	3,968,782	3,774,417	14,424,259
Capital Assets, Being Depreciated				
Buildings	9,220,397	154,051	-	9,374,448
Leasehold Improvements	37,235	-	-	37,235
Vehicles	1,004,448	71,497	-	1,075,945
Furniture and Fixtures	62,148	-	-	62,148
Machinery and Equipment	162,339	729,653	-	891,992
Software	480,412	-	-	480,412
Infrastructure	278,763,467	4,696,313	-	283,459,780
Total Capital Assets, Being Depreciated	289,730,446	5,651,514	-	295,381,960
Less Accumulated Depreciated for:				
Buildings	(1,399,460)	(188,602)	-	(1,588,062)
Leasehold Improvements	(37,235)	-	-	(37,235)
Vehicles	(559,413)	(191,726)	-	(751,139)
Furniture and Fixtures	(5,353)	(6,215)	-	(11,568)
Machinery and Equipment	(80,334)	(96,090)	-	(176,424)
Software	(399,650)	(31,977)	-	(431,627)
Infrastructure	(52,616,947)	(7,335,026)	-	(59,951,973)
Total Accumulated Depreciation	(55,098,392)	(7,849,636)	-	(62,948,028)
Total Capital Assets Being Depreciated, Net	234,632,054	(2,198,122)	-	232,433,932
Governmental Activities Capital Assets, Net	<u>\$ 248,861,948</u>	<u>\$ 1,770,660</u>	<u>\$ 3,774,417</u>	<u>\$ 246,858,191</u>

Depreciation expense was charged to the governmental activities as follows:

General Government	\$ 77,129
Public Safety	435,231
Public Works	7,337,276
Total Governmental Activities Depreciation Expense	<u>\$ 7,849,636</u>

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 7: Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 75,882	\$ 38,548	\$ 18,970	\$ 95,460	\$ 23,865
Loan Payable, Direct Borrowing	4,491,640	-	55,748	4,435,892	229,591
Net Pension Liability	29,187	129,796	107,765	51,218	-
Net OPEB Liability	10,026	-	10,026	-	-
<b>Total</b>	<b>\$ 4,606,735</b>	<b>\$ 168,344</b>	<b>\$ 192,509</b>	<b>\$ 4,582,570</b>	<b>\$ 253,456</b>

Liabilities for compensated absences, the net pension liability and net OPEB liability are typically liquidated by the General Fund.

**Loan Payable**

On September 27, 2018 the City entered into an agreement with Banc of America Leasing & Capital, LLC for a loan of \$4,491,640 to finance the acquisition of streetlights within the City. The loan will be repaid in semi-annual installments, which include principal and interest, starting September 1, 2019, with the last payment to be made September 1, 2023. The interest rate on the loan is 5.46%. The balance of the loan is \$4,435,892 as of June 30, 2020.

**Direct Borrowings**

The Loan Payable is a direct borrowing. There are no provisions for the outstanding loans in the event of default and no assets were held as collateral.

Year Ending June 30,	Principal	Interest	Total
2021	\$ 229,591	\$ 239,108	\$ 468,699
2022	242,298	226,401	468,699
2023	255,708	212,991	468,699
2024	269,861	198,839	468,700
2025	284,796	183,903	468,699
2026-2030	1,678,600	664,898	2,343,498
2031-2034	1,475,038	165,410	1,640,448
<b>Total</b>	<b>\$ 4,435,892</b>	<b>\$ 1,891,550</b>	<b>\$ 6,327,442</b>



**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 8: Operating Lease**

On October 1, 2010, the City entered into a 22-month operating lease agreement to rent its current office suite. The office lease provided for monthly rent of \$2,150 in addition to common area maintenance costs for the first ten months and \$2,215 thereafter. On July 1, 2011, the City Hall relocated and the lease was amended providing for monthly rent starting at \$5,080 per month in addition to common area maintenance costs for the first 17 months, \$5,232 for months 18-22, and \$5,385 for months 29-41. Effective October 1, 2012 the City leased additional space under the same terms for \$1,000 per month through the end of the lease term. The City amended its lease agreement on November 3, 2014 to extend the lease until November 30, 2016 with monthly rent starting at \$5,165 for months 1-12 and \$5,268 for months 13-24. The City had the option to renew the lease upon termination at November 30, 2016. The City amended its lease agreement on December 6, 2016 to extend the lease until November 30, 2017 with monthly rent of \$10,239. The City amended its lease agreement March 21, 2018 for 3 years at \$7,328 a month. Rental costs for the year ended June 30, 2020 were \$65,952.

Minimum future rental payments under the operating leases as of June 30, 2020 are as follows (amounts do not include common area maintenance costs):

Year Ending June 30,	Office Lease
2021	65,952
Total	\$ 65,952

**Note 9: Retirement Plan**

**a. General Information about the Pension Plans**

***Plan Descriptions***

All full time employees are eligible to participate in the City's Miscellaneous Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Eligible employees hired after January 1, 2013 that, are considered new members as defined by the Public Employees' Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 9: Retirement Plan - Continued**

**a. General Information about the Pension Plans - Continued**

***Benefits Provided***

CalPERS, provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service as discussed above. Members with five years of total service are eligible to retire at age 50 or 52 if in the PEPRM Miscellaneous Plan with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost of living adjustments for all plans are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or After January 1, 2013 <sup>(1)</sup>
Hire Date		
Benefit Formula	2.0% at 60	2.0% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50 - 55+	52 - 67+
Monthly Benefits, as a % of Eligible Compensation	1.092% - 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	7%	6.25%
Required Employer Contribution Rates	8.081%	6.985%

<sup>(1)</sup> For employees hired on or after January 1, 2013, they are included in their respective PEPRM (California Public Employees' Pension Reform Act) Plans with the above provisions and benefits.

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ended June 30, 2020 were \$167,959.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 9: Retirement Plan - Continued**

**b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$51,218.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2019	0.00077%
Proportion - June 30, 2020	0.00128%
Change - Increase (Decrease)	0.00051%

For the year ended June 30, 2020, the City recognized pension expense of \$72,389. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 167,959	\$ -
Changes in assumptions	1,577	-
Differences between actual and expected experience	3,281	-
Differences between projected and actual investment earnings	-	895
Differences between the employer's contributions and proportionate share of contributions	88,835	-
Change in employer's proportion	35,430	-
	<u>          </u>	<u>          </u>
Total	<u>\$ 297,082</u>	<u>\$ 895</u>

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 9: Retirement Plan - Continued**

**b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued**

Deferred outflows of resources of \$167,959 related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized as an increase or (decrease) in pension expense as follows:

Year Ended June 30	Deferred Outflows/Inflows of Resources
2021	\$ 64,740
2022	40,109
2023	23,197
2024	182
2025	-
Thereafter	-
	\$ 128,228

***Actuarial Assumptions***

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Depending on age, service and type of employment
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

<sup>(1)</sup> The Mortality Rate Table was derived using CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. The table includes 15 years of projected mortality improvements using Society of Actuaries Scale 90% of scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 9: Retirement Plan - Continued**

**b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued**

***Discount Rate***

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of project benefit payments to determine the total pension liability.

***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows::

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	(0.92)%
Total	100%		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 9: Retirement Plan - Continued**

**b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City's proportionate share of the net position liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability (Asset)	\$ 166,601
Current Discount Rate	7.15%
Net Pension Liability (Asset)	\$ 51,218
1% Increase	8.15%
Net Pension Liability (Asset)	\$ (44,023)

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**c. Payable to the Pension Plan**

At June 30, 2020, the City had \$12,083 owed to the pension plan for contributions for the year ended June 30, 2020 which is included in accrued liabilities.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 10: Other Post-Employment Benefits (OPEB)**

**Plan Description**

The City's defined benefit postemployment healthcare plan provides medical benefits to eligible retired employees and qualified dependents. The Plan is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. CalPERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

**Funding Policy**

The contribution requirements of the City are established and may be amended by the City Council.

***Employees Covered***

As of June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	31
Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to, but not yet receiving benefits	-
	<hr/>
<b>Total</b>	<b>31</b>

***Contributions***

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2020, the City's cash contributions were \$24,000 to the trust.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 10: Other Post-Employment Benefits (OPEB) - Continued**

***Net OPEB Liability***

The City's net OPEB liability (asset) was measured as of June 30, 2020 and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2020 based on the following actuarial methods and assumptions:

**Actuarial Assumptions**

Discount Rate	6.60%
Inflation	2.50%
Salary Increases	3.00% plus merit
Investment Rate of Return	6.50%
Mortality Rate <sup>(1)</sup>	Derived using CalPERS Membership Data for all funds
Pre-Retirement Turnover <sup>(2)</sup>	Derived using CalPERS Membership Data for all funds
Healthcare Trend Rate	2.50%

Notes:

<sup>(1)</sup>Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be access on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

<sup>(2)</sup>The pre-retirement turnover information was developed based on CalPERS specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-term Expected Real Rate of Return</u></b>
Global Equity	40.0%	4.80%
Fixed Income	43.0%	1.10%
TIPS	5.0%	25.0%
REITS	8.0%	3.2%
Commodities	4.0%	1.5%
<b>Total</b>	<b>100%</b>	



**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 10: Other Post-Employment Benefits (OPEB) - Continued**

***Discount Rate***

The discount rate used to measure the total OPEB liability was 6.60 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projects benefit payments to determine the total OPEB liability.

***Changes in the OPEB Liability (Asset)***

The changes in the net OPEB liability (asset) for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
<b>Balance at June 30, 2019</b> <b><i>(Valuation Date June 30, 2019)</i></b>	<u>\$ 98,631</u>	<u>\$ 88,605</u>	<u>\$ 10,026</u>
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	22,958	-	22,958
Interest	7,903	-	7,903
Actual and Expected Experience Difference	(35,443)	-	(35,443)
Changes of Assumptions	(1,711)	-	(1,711)
Contribution – Employer	-	24,000	(24,000)
Net Investment Income	-	6,535	(6,535)
Investment Experience	-	670	(670)
Benefit Payments	-	-	-
Administrative Expense	-	(130)	130
	<u>(6,293)</u>	<u>31,075</u>	<u>(37,368)</u>
Net Changes			
<b>Balance at June 30, 2020</b> <b><i>(Measurement Date June 30, 2020)</i></b>	<u>\$ 92,338</u>	<u>\$ 119,680</u>	<u>\$ (27,342)</u>

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 10: Other Post-Employment Benefits (OPEB) - Continued**

***Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate***

The following presents the net OPEB liability (asset) of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease (5.60%)	Current Discount Rate (6.60%)	1% Increase (7.60%)
Net OPEB Liability (Asset)	\$ (8,320)	\$ (27,342)	\$ (42,512)

***Sensitivity of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rates***

The following presents the net OPEB liability (asset) of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease (1.50%)	Current Healthcare Cost Trend Rates (2.50%)	1% Increase (3.50%)
Net OPEB Liability (Asset)	\$ (47,020)	\$ (27,342)	\$ (1,073)

***OPEB Plan Fiduciary Net Position***

CERBT issues a publicly available financial report that may be obtained from the California Public Employees Retirement System Executive Office, 400 P Street, Sacramento, California 95814.

***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 10: Other Post-Employment Benefits (OPEB) - Continued**

***Recognition of Deferred Outflows and Deferred Inflows of Resources - Continued***

The recognition period differs depending on the source of the gain or loss:

Net deferred outflow of resources related to OPEB plan	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$24,676. As of fiscal year ended June 30, 2020, the City reported deferred outflows of resources related to OPEB from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ -	\$ -
Changes in assumptions	-	1,587
Differences between expected and actual experience	18,530	40,066
Net differences between projected and actual earnings on OPEB plan investments	2,728	-
Total	<u>\$ 21,258</u>	<u>\$ 41,653</u>

There were no deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date as the valuation was for the same reporting period. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 220
2022	221
2023	(141)
2024	(988)
2025	(854)
Thereafter	(18,853)

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 11: Risk Management**

The City is a member of the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-one participating member agencies: twenty-two cities, three transit agencies and six special districts. The City participates in the liability, property, auto physical damage, and crime insurance programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage and public officials' errors and omissions. The City has selected a \$0 self-insured retention for this coverage and participates in risk sharing pools for losses up to \$1 million, followed by PERMA's membership in the CSAC Excess Insurance Authority (EIA) for \$49 million of excess liability coverage.

The property insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland marine coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis and all risk, eliminating the traditional commercial "named peril" policy.

The auto physical damage insurance program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Auto physical damage coverage is written on an agreed amount basis.

The crime insurance program provides public employee dishonesty, forgery or alteration, and computer fraud coverage under a master insurance policy.

The City is insured with the State Compensation Insurance Fund for workers' compensation claims. There is no deductible requirement for this coverage.

**Note 12: Net Position and Fund Equity**

***Net Position***

The details of the restricted other purposes in the Statement of Net Position are presented below:

	<u>Statement of Net Position</u>
Landscape Maintenance	\$ 1,866,069
AQMD Projects	427,464
Other	<u>914,259</u>
	<u><u>\$ 3,207,792</u></u>

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 12: Net Position and Fund Equity - Continued**

***Fund Equity***

The City has established certain fund balance designations to report the amounts in the following funds, which represent available spendable resources restricted, committed or assigned for a specific purpose:

	General Fund	Special Revenue Fund Gas Tax	Special Revenue Fund Development Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Prepaid Items	\$ 94,389	\$ -	\$ -	\$ -	\$ 94,389
Restricted For:					
Street Maintenance/Projects	-	7,596,155	1,645,100	9,642,012	18,883,267
Lighting and Landscape Maintenance	-	-	-	1,866,069	1,866,069
AQMD Projects	-	-	-	427,464	427,464
Capital Projects City Facilities	-	-	-	876,484	876,484
Fire Operations/Improvements	10,268,695	-	-	-	10,268,695
Other Purposes	-	-	-	914,259	914,259
Total Restricted	10,268,695	7,596,155	1,645,100	13,726,288	33,236,238
Committed for:					
City Hall Facility	3,000,000	-	-	-	3,000,000
Total Committed	3,000,000	-	-	-	3,000,000
Unassigned	34,621,726	-	-	(65)	34,621,661
Total	\$ 47,984,810	\$ 7,596,155	\$ 1,645,100	\$ 13,726,223	\$ 70,952,288

The following had a deficit fund balance at June 30, 2020. These deficits are expected to be eliminated through future revenues.

Fund	Amount
CDBG Special Revenue Fund	\$ (7)
TUMF Reimbursement Special Revenue Fund	(58)

**City of Eastvale**  
**Notes to Financial Statements**  
June 30, 2020

**Note 13: Joint Ventures**

The Western Riverside County Regional Conservation Authority (“Authority”) was created in 2004 to protect 146 native species of plants and animals and preserving a half million acres of their habitat. Resolution 10-28, signed October 1, 2010, authorized the City Manager to pursue membership in the Riverside Conservation Authority, which would also fulfil one of the LAFCO’s conditions of incorporation for the City. Resolution 10-48, signed December 8, 2010, authorized the Mayor to sign the Joint Powers Agreement with the Riverside Conservation Authority and the agreement with the U.S. Fish and Wildlife Service and California Department of Fish and Game relating to the implementation of the Western Riverside County Multiple Species Habitat Conservation Plan.

There will also be some additional (and unquantifiable) expenses associated with the City’s interaction with the Authority. However, these additional expenses are expected to be relatively minor. There will be staff costs associated with locally implementing the program, which will be borne by the general fund for City projects and for the periodic reports to the Authority, and by landowners and developers through the City’s full cost recovery program for private development applications. Copies of the Authority’s annual financial report may be obtained from the Western Riverside County Regional Conservation Authority Riverside Centre Building at 3403 10<sup>th</sup> Street, Suite 320, Riverside, CA 92501.

**Note 14: Tax Abatement Agreement**

The City entered into a twenty-year agreement with Tarpon Property Ownership 2 LLC on November 9, 2016 (amended on August 21, 2017) to reimburse for infrastructure improvements up to \$4,500,000 relating to the Goodman Commerce Center. The reimbursements are to be paid by the City from 50% of all sales tax revenues derived from the retailers’ sales. As a result of this tax abatement agreement, the City’s sales taxes were reduced by \$1,065,255 in the current fiscal year.

**Note 15: Commitments and Contingencies**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic continued subsequent to year end with certain restrictions required by the Governor of California, as well as local governments, which may affect revenue sources and also caused subsequent stock market volatility. The duration of the pandemic and the impact of COVID-19 on the City’s operational and financial performance is uncertain at this time.

## **REQUIRED SUPPLEMENTARY INFORMATION**





**City of Eastvale**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**CalPERS Pension Plan**  
**Last Ten Years\***  
**As of June 30, 2020**

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00032%	\$ 19,852	\$ 534,402	3.71%	84.01%
2016	-0.00007%	\$ (1,555)	\$ 628,256	-0.25%	100.84%
2017	0.00041%	\$ 14,412	\$ 575,155	2.51%	95.12%
2018	0.00089%	\$ 35,121	\$ 578,739	6.07%	92.14%
2019	0.00077%	\$ 29,187	\$ 809,185	3.61%	95.15%
2020	0.00128%	\$ 51,218	\$ 1,479,268	3.46%	91.41%

**Notes to Schedule:**

**Benefit Changes.** In 2020, there was no benefit terms modified.

**Changes in Assumptions.** For the 2017 fiscal year the discount rate was changed from 7.65 percent to 7.15 percent.

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only six years are shown.

**City of Eastvale  
Schedule of Contributions  
CalPERS Pension Plan  
Last Ten Years\*  
As of June 30, 2020**

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 38,818	\$ (38,818)	\$ -	\$ 628,256	6.18%
2016	\$ 38,874	\$ (38,874)	\$ -	\$ 575,155	6.76%
2017	\$ 41,112	\$ (41,112)	\$ -	\$ 578,739	7.10%
2018	\$ 56,387	\$ (56,387)	\$ -	\$ 809,185	6.97%
2019	\$ 121,361	\$ (121,361)	\$ -	\$ 1,479,268	8.20%
2020	\$ 167,959	\$ (167,959)	\$ -	\$ 2,154,841	7.79%

**Notes to Schedule:**

Valuation Date 6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	7 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Discount Rate	7.15%
Salary Increases	Various by entry age and service
Inflation	2.50%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only six years are shown.

**Required Supplemental Information**  
**Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios for**  
**Measurement Periods Ended June 30,**

Measurement Period	2020	2019	2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 22,958	\$ 26,279	\$ 19,154
Interest on the Total OPEB Liability	7,903	7,859	2,677
Actual and Expected Experience Difference	(35,443)	(2,979)	(3,628)
Changes in Assumptions	(1,711)	(2,964)	-
Changes in Benefit Terms	-	-	-
Benefit Payments	-	-	-
<b>Net Change in Total OPEB Liability</b>	<b>(6,293)</b>	<b>28,195</b>	<b>18,203</b>
<b>Total OPEB Liability - Beginning</b>	<b>98,631</b>	<b>70,436</b>	<b>52,233</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 92,338</b>	<b>\$ 98,631</b>	<b>\$ 70,436</b>
<b>Plan Fiduciary Net Position</b>			
Contribution - Employer	\$ 24,000	\$ -	\$ -
Net Investment Income	7,205	16,882	3,730
Benefit Payments	-	-	-
Administrative Expense	(130)	(126)	(74)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>31,075</b>	<b>16,756</b>	<b>3,656</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>88,605</b>	<b>71,849</b>	<b>68,193</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>119,680</b>	<b>88,605</b>	<b>71,849</b>
<b>Net OPEB Liability (Asset) - Ending (a)-(b)</b>	<b>\$ (27,342)</b>	<b>\$ 10,026</b>	<b>\$ (1,413)</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	129.6%	89.8%	102.0%
Covered Payroll	2,257,055	2,105,545	1,113,007
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-1.21%	0.48%	-0.13%

**Notes to Schedule:**

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**Required Supplemental Information**  
**Schedule of Contributions - OPEB**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ 42,747	\$ -	\$ -
Contributions in Relation to the ADC	24,000	-	-
Contribution Deficiency (Excess)	<u>\$ 18,747</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,257,055	\$ 2,105,545	\$ 1,113,007
Contributions as a percentage of covered payroll	1.06%	0%	0%

**Notes to Schedule:**

<sup>(1)</sup>No Actuarially Determined Contribution (ADC) was calculated for the Plan for fiscal years 2019 and 2018.

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020 were from the June 30, 2020 actuarial valuation.

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market value
Inflation	2.50%
Salary Increases	3.00% plus merit
Investment Rate of Return	6.50% per annum
Healthcare Cost-trend Rates	3.75%
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	Pre-retirement mortality probability based on 2014 CalPERS 1997-2011 Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering participants in CalPERS.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information become available

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Taxes	\$ 20,337,913	\$ 20,637,913	\$ 22,597,633	\$ 1,959,720
License, Permits and Fees	3,718,000	3,718,000	3,389,989	(328,011)
Fines and Forfeitures	618,200	618,200	651,945	33,745
Intergovernmental	4,894,294	4,894,294	5,028,263	133,969
Investment Earnings	550,000	550,000	2,075,304	1,525,304
Other	50,000	463,918	426,642	(37,276)
Total Revenues	30,168,407	30,882,325	34,169,776	3,287,451
<b>EXPENDITURES</b>				
Current:				
General Government	5,076,781	6,345,742	5,214,980	1,130,762
Public Safety	17,472,170	17,512,170	16,268,278	1,243,892
Public Works	180,600	180,600	203,234	(22,634)
Community Development	5,471,868	5,470,868	4,603,183	867,685
Revenue Neutrality	470,000	470,000	498,222	(28,222)
Capital Outlay	305,700	1,696,689	918,169	778,520
Total Expenditures	28,977,119	31,676,069	27,706,066	3,970,003
Excess (Deficiency) of Revenues over Expenditures	1,191,288	(793,744)	6,463,710	7,257,454
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	542,907	542,907	631,506	88,599
Transfers Out	-	(1,483,240)	(1,381,354)	101,886
Total Other Financing Sources (Uses)	542,907	(940,333)	(749,848)	190,485
Net Change in Fund Balances	1,734,195	(1,734,077)	5,713,862	7,447,939
Fund Balance, Beginning of Year	42,270,948	42,270,948	42,270,948	-
Fund Balance, End of Year	<u>\$ 44,005,143</u>	<u>\$ 40,536,871</u>	<u>\$ 47,984,810</u>	<u>\$ 7,447,939</u>

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Gas Tax Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Taxes	\$ 1,073,456	\$ 1,073,456	\$ 1,144,465	\$ 71,009
Intergovernmental	1,695,882	1,695,882	1,507,010	(188,872)
Investment Earnings	37,000	37,000	324,001	287,001
Other	-	-	1,557,603	1,557,603
Total Revenues	2,806,338	2,806,338	4,533,079	1,726,741
<b>EXPENDITURES</b>				
Current:				
Public Works	817,000	892,000	1,093,176	(201,176)
Capital Outlay	1,806,500	3,342,366	166,324	3,176,042
Total Expenditures	2,623,500	4,234,366	1,259,500	2,974,866
Excess (Deficiency) of Revenues over Expenditures	182,838	(1,428,028)	3,273,579	4,701,607
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(380,904)	-	(522,169)	(522,169)
Total Other Financing Sources (Uses)	(380,904)	-	(522,169)	(522,169)
Net Change in Fund Balance	(198,066)	(1,428,028)	2,751,410	4,179,438
Fund Balance, Beginning of Year	4,844,745	4,844,745	4,844,745	-
Fund Balance, End of Year	\$ 4,646,679	\$ 3,416,717	\$ 7,596,155	\$ 4,179,438

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Development Impact Fees Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Development Impact Fees	\$ 1,575,000	\$ 1,575,000	\$ 805,577	\$ (769,423)
Investment Earnings	43,500	43,500	189,484	145,984
Total Revenues	1,618,500	1,618,500	995,061	(623,439)
<b>EXPENDITURES</b>				
Current:				
Public Works	40,000	40,000	1,760,409	(1,720,409)
Capital Outlay	-	3,833,330	33,472	3,799,858
Total Expenditures	40,000	3,873,330	1,793,881	2,079,449
Excess (Deficiency) of Revenues over Expenditures	1,578,500	(2,254,830)	(798,820)	1,456,010
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(2,082)	-	(7,315)	(7,315)
Total Other Financing Sources (Uses)	(2,082)	-	(7,315)	(7,315)
Net Change in Fund Balances	1,576,418	(2,254,830)	(806,135)	1,448,695
Fund Balance, Beginning of Year	2,451,235	2,451,235	2,451,235	-
Fund Balance, End of Year	<u>\$ 4,027,653</u>	<u>\$ 196,405</u>	<u>\$ 1,645,100</u>	<u>\$ 1,448,695</u>

**City of Eastvale**  
**Notes to Required Supplementary Information**  
June 30, 2020

**Budgets and Budgetary Data**

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the fiscal year. Public hearings are conducted prior to the adoption by City Council.

Total appropriations for each fund may only be increased or decreased by the City Council by passage of a resolution amending the budget. During the year, there were no budgetary appropriation increases, and no budgetary revenue increases.

The City Manager has authority to adjust the amounts appropriated between the funds and activities of a fund, provided, however, that the total appropriations for each fund may not exceed the amounts provided in the budget resolution.

The level on which expenditures may not legally exceed appropriations is the fund level.

The City Manager is also authorized to approve continuing appropriations at year-end for capital improvement projects and other expenditures previously approved by the City Council.

Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets were legally adopted for all governmental funds with the exception of the Special Revenue Fund, Law Enforcement Grants.



## **SUPPLEMENTARY INFORMATION**



**City of Eastvale**  
**Non-Major Governmental Funds**  
June 30, 2020

**Special Revenue Funds**

**Measure A Fund** - This fund is used to account for the voter approved ½ cent sales tax to fund transportation improvements including the alteration, construction and reconstruction maintenance of the streets and roads of the City.

**AQMD Trust Fund** - This fund is used to account for the City's portion of motor vehicle registration fees collected pursuant to AB2766 passed during the 1990 State legislative session. This fee was levied to fund programs to reduce air pollution from mobile sources such as cars, trucks, and buses. It also included funds allocated through a competitive process as a result of this legislation.

**Supplemental Law Enforcement Services Fund** - This fund is used to account for the receipts and expenditures of funds resulting from the Citizen's Option for Public Safety (COPS) program, a state funded program.

**Lighting and Landscape Maintenance Fund** - This fund is used to account for the costs of operation, maintenance, landscaping, and lighting of the City. Funding is provided by assessments specific to parcels in the various maintenance districts.

**Benefit Assessment Fund** - This fund is used to account for funds received from assessments from individual property owners and the expenditures for certain costs of operation and street related maintenance.

**Road and Bridge Benefit District Fund** - This fund is used to account for funds received from developer fees and the expenditures for the maintenance and improvements of roads and bridges.

**CDBG Fund** - This fund is used to account for the Community Development Block Grant Funds received from U.S. Department of Housing and Urban Development. The funds must be expended to accomplish the elimination of blight or to benefit low and moderate income persons by providing loans or grants for various programs.

**Miscellaneous Grants Fund** - This fund is used to account for the receipts and expenditures of miscellaneous grants not accounted for in a separate fund.

**CARES Act Grant Fund** - This fund provides payments to State, Local and Tribal governments navigating the impact of the COVID-19 outbreak.

**Transportation Uniform Mitigation Fee ( TUMF) Fund** - This fund provides transportation and transit infrastructure that mitigates the impact of new growth in western Riverside County.

**Area Drainage Plan Fund** - This fund is to track the closure and final disbursement of Riverside County's Eastvale's Area Drainage Plan. Disbursements from the County for the final balance were paid to Eastvale and deposited into this fund.

**City of Eastvale**  
**Non-Major Governmental Funds**  
June 30, 2020

**Special Revenue Funds - Continued**

**Transportation Development Act (TDA)- Fund** - This fund is used to account for revenues received under the Transportation Development Act. These funds are used for improvements to City streets.

**Capital Project Funds**

**Capital Projects Fund (Capital Projects)** is used to account for the financial resources to be used for the acquisition or construction of capital facilities.

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**City of Eastvale**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2020

	Special Revenue Funds			
	Measure A	AQMD Trust	Supplemental Law Enforcement Services	Lighting and Landscape Maintenance
<b>ASSETS</b>				
Cash and Investments	\$ 2,974,313	\$ 406,450	\$ -	\$ 1,947,664
Receivables:				
Intergovernmental	277,246	20,680	25,143	4,047
Interest	8,426	334	-	5,325
Total Assets	<u>\$ 3,259,985</u>	<u>\$ 427,464</u>	<u>\$ 25,143</u>	<u>\$ 1,957,036</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 139,700	\$ -	\$ 2,835	\$ 10,581
Due to Other Funds	-	-	22,257	78,583
Total Liabilities	<u>139,700</u>	<u>-</u>	<u>25,092</u>	<u>89,164</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Taxes and Assessments	-	-	-	1,803
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,803</u>
<b>FUND BALANCES</b>				
Restricted for:				
Street Maintenance/Projects	3,120,285	-	-	-
Lighting and Landscape Maintenance	-	-	-	1,866,069
AQMD Projects	-	427,464	-	-
Capital Projects City Facilities	-	-	-	-
Other Purposes	-	-	51	-
Unassigned	-	-	-	-
Total Fund Balances	<u>3,120,285</u>	<u>427,464</u>	<u>51</u>	<u>1,866,069</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,259,985</u>	<u>\$ 427,464</u>	<u>\$ 25,143</u>	<u>\$ 1,957,036</u>

Special Revenue Funds

Benefit Assessment	Road and Bridge Benefit District	CDBG	Miscellaneous Grants	CARES Act Grant	TUMF Reimbursement Fund
\$ 7,123	\$ 6,515,591	\$ -	\$ -	\$ -	\$ -
49	-	-	711,797	31,197	-
16	6,363	-	-	-	-
<u>\$ 7,188</u>	<u>\$ 6,521,954</u>	<u>\$ -</u>	<u>\$ 711,797</u>	<u>\$ 31,197</u>	<u>\$ -</u>
\$ -	\$ 227	\$ -	\$ 332,507	\$ -	\$ 58
-	-	7	378,320	31,197	-
-	227	7	710,827	31,197	58
-	-	-	-	-	-
-	-	-	-	-	-
-	6,521,727	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,188	-	-	970	-	-
-	-	(7)	-	-	(58)
<u>7,188</u>	<u>6,521,727</u>	<u>(7)</u>	<u>970</u>	<u>-</u>	<u>(58)</u>
<u>\$ 7,188</u>	<u>\$ 6,521,954</u>	<u>\$ -</u>	<u>\$ 711,797</u>	<u>\$ 31,197</u>	<u>\$ -</u>

Continued

**City of Eastvale**  
**Combining Balance Sheet**  
**Non-major Governmental Funds - Continued**  
June 30, 2020

	Special Revenue Funds			Total Non-Major Governmental Funds
	Area Drainage Plan	TDA Funds	Capital Project Fund	
<b>ASSETS</b>				
Cash and Investments	\$ 903,441	\$ -	\$ 1,137,653	\$ 13,892,235
Receivables:				
Intergovernmental	-	-	-	1,070,159
Interest	2,609	-	-	23,073
Total Assets	<u>\$ 906,050</u>	<u>\$ -</u>	<u>\$ 1,137,653</u>	<u>\$ 14,985,467</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 261,169	\$ 747,077
Due to Other Funds	-	-	-	510,364
Total Liabilities	<u>-</u>	<u>-</u>	<u>261,169</u>	<u>1,257,441</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Taxes and Assessments	-	-	-	1,803
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,803</u>
<b>FUND BALANCES</b>				
Restricted for:				
Street Maintenance/Projects	-	-	-	9,642,012
Lighting and Landscape Maintenance	-	-	-	1,866,069
AQMD Projects	-	-	-	427,464
Capital Projects City Facilities	-	-	876,484	876,484
Other Purposes	906,050	-	-	914,259
Unassigned	-	-	-	(65)
Total Fund Balances	<u>906,050</u>	<u>-</u>	<u>876,484</u>	<u>13,726,223</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 906,050</u>	<u>\$ -</u>	<u>\$ 1,137,653</u>	<u>\$ 14,985,467</u>



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**City of Eastvale**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Measure A	AQMD Trust	Supplemental Law Enforcement Services	Lighting and Landscape Maintenance
<b>REVENUES</b>				
Intergovernmental	\$ 1,439,851	\$ 103,483	\$ 156,091	\$ -
Development Impact Fees	-	-	-	-
Assessments	-	-	-	319,105
Investment Earnings	125,029	7,789	561	52,369
Total Revenues	1,564,880	111,272	156,652	371,474
<b>EXPENDITURES</b>				
Current:				
General Government	-	3,015	-	-
Public Safety	-	-	199,152	-
Public Works	8,103	-	-	64,401
Capital Outlay	1,636,375	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest	-	-	-	-
Total Expenditures	1,644,478	3,015	199,152	64,401
Excess (Deficiency) of Revenues over Expenditures	(79,598)	108,257	(42,500)	307,073
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	115	-	-
Transfers Out	(109,128)	-	-	(10,919)
Total Other Financing Sources (Uses)	(109,128)	115	-	(10,919)
Net Change in Fund Balances	(188,726)	108,372	(42,500)	296,154
Fund Balances (Deficit), Beginning of Year	3,309,011	319,092	42,551	1,569,915
Fund Balances (Deficit), End of Year	\$ 3,120,285	\$ 427,464	\$ 51	\$ 1,866,069

Special Revenue Funds					
Benefit Assessment	Road and Bridge Benefit District	CDBG	Miscellaneous Grants	CARES Act Grant	TUMF Reimbursement Fund
\$ -	\$ -	\$ 198,827	\$ 819,960	\$ 31,197	\$ 1,557,603
-	323,348	-	-	-	-
4,651	-	-	-	-	-
54	168,570	-	-	-	-
<u>4,705</u>	<u>491,918</u>	<u>198,827</u>	<u>819,960</u>	<u>31,197</u>	<u>1,557,603</u>
-	-	-	4,895	25,669	-
-	-	-	-	-	-
2,529	-	-	-	-	58
-	227	815	866,372	5,528	1,557,603
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,529</u>	<u>227</u>	<u>815</u>	<u>871,267</u>	<u>31,197</u>	<u>1,557,661</u>
<u>2,176</u>	<u>491,691</u>	<u>198,012</u>	<u>(51,307)</u>	<u>-</u>	<u>(58)</u>
-	-	83,695	-	-	-
(503)	-	-	-	-	-
<u>(503)</u>	<u>-</u>	<u>83,695</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,673	491,691	281,707	(51,307)	-	(58)
<u>5,515</u>	<u>6,030,036</u>	<u>(281,714)</u>	<u>52,277</u>	<u>-</u>	<u>-</u>
<u>\$ 7,188</u>	<u>\$ 6,521,727</u>	<u>\$ (7)</u>	<u>\$ 970</u>	<u>\$ -</u>	<u>\$ (58)</u>

Continued

**City of Eastvale**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Revenue Funds - Continued**  
Year Ended June 30, 2020

	Special Revenue Funds			Total Non-Major Governmental Funds
	Area Drainage Plan	TDA Funds	Capital Projects Fund	
<b>REVENUES</b>				
Intergovernmental	\$ 874,406	\$ 138,500	\$ -	\$ 5,319,918
Development Impact Fees	-	-	-	323,348
Assessments	-	-	-	323,756
Investment Earnings	31,644	-	40,228	426,244
Total Revenues	906,050	138,500	40,228	6,393,266
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	33,579
Public Safety	-	-	-	199,152
Public Works	-	-	7,518	82,609
Capital Outlay	-	73,333	400,744	4,540,997
Debt Service:				
Principal Retirement	-	-	55,748	55,748
Interest	-	-	412,952	412,952
Total Expenditures	-	73,333	876,962	5,325,037
Excess (Deficiency) of Revenues over Expenditures	906,050	65,167	(836,734)	1,068,229
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,381,239	1,465,049
Transfers Out	-	(65,167)	-	(185,717)
Total Other Financing Sources (Uses)	-	(65,167)	1,381,239	1,279,332
Net Change in Fund Balances	906,050	-	544,505	2,347,561
Fund Balances (Deficit), Beginning of Year	-	-	331,979	11,378,662
Fund Balances (Deficit), End of Year	\$ 906,050	\$ -	\$ 876,484	\$ 13,726,223

**City of Eastvale**  
**Non-Major Governmental Funds Comparison Schedules**  
June 30, 2020

Budgetary comparison statements are presented as required supplementary information for the General Fund and all Major Special Revenue Funds as provided for by GASB Statement No. 34. The budgetary comparison schedules for the remaining funds are presented to aid in additional analysis and are not a required part of the basic financial statements.

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Measure A Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 1,436,000	\$ 1,436,000	\$ 1,439,851	\$ 3,851
Investment Earnings	35,000	35,000	125,029	90,029
Total Revenues	1,471,000	1,471,000	1,564,880	93,880
<b>EXPENDITURES</b>				
Current:				
Public Works	20,200	20,200	8,103	12,097
Capital Outlay	530,000	3,594,597	1,636,375	1,958,222
Total Expenditures	550,200	3,614,797	1,644,478	1,970,319
Excess (Deficiency) of Revenues over Expenditures	920,800	(2,143,797)	(79,598)	2,064,199
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(98,415)	-	(109,128)	(109,128)
Total Other Financing Sources (Uses)	(98,415)	-	(109,128)	(109,128)
Net Change in Fund Balances	822,385	(2,143,797)	(188,726)	1,955,071
Fund Balance, Beginning of Year	3,309,011	3,309,011	3,309,011	-
Fund Balance, End of Year	<u>\$ 4,131,396</u>	<u>\$ 1,165,214</u>	<u>\$ 3,120,285</u>	<u>\$ 1,955,071</u>

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - AQMD Trust Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 103,483	\$ 28,483
Investment Earnings	2,000	2,000	7,789	5,789
Total Revenues	77,000	77,000	111,272	34,272
<b>EXPENDITURES</b>				
Current:				
General Government	6,000	6,000	3,015	2,985
Public Safety	500	500	-	500
Community Development	500	500	-	500
Capital Outlay	-	41,239	-	41,239
Total Expenditures	7,000	48,239	3,015	45,224
Excess (Deficiency) of Revenues over Expenditures	70,000	28,761	108,257	79,496
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	115	115
Transfers Out	(4,455)	-	-	-
Total Other Financing Sources (Uses)	(4,455)	-	115	115
Net Change in Fund Balances	65,545	28,761	108,372	79,611
Fund Balance, Beginning of Year	319,092	319,092	319,092	-
Fund Balance, End of Year	\$ 384,637	\$ 347,853	\$ 427,464	\$ 79,611

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Supplemental Law Enforcement Services Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 65,000	\$ 65,000	\$ 156,091	\$ 91,091
Investment Earnings	-	-	561	561
Total Revenues	65,000	65,000	156,652	91,652
<b>EXPENDITURES</b>				
Current:				
Public Safety	65,000	65,000	199,152	(134,152)
Total Expenditures	65,000	65,000	199,152	(134,152)
Net Change in Fund Balances	-	-	(42,500)	(42,500)
Fund Balance, Beginning of Year	42,551	42,551	42,551	-
Fund Balance, End of Year	\$ 42,551	\$ 42,551	\$ 51	\$ (42,500)



**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Lighting and Landscape Maintenance Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Assessments	\$ 655,700	\$ 19,100	\$ 319,105	\$ 300,005
Investment Earnings	19,113	40	52,369	52,329
Total Revenues	674,813	19,140	371,474	352,334
<b>EXPENDITURES</b>				
Current:				
Public Works	517,150	-	64,401	(64,401)
Total Expenditures	517,150	-	64,401	(64,401)
Excess (Deficiency) of Revenues over Expenditures	157,663	19,140	307,073	287,933
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(2,148)	-	(10,919)	(10,919)
Total Other Financing Sources (Uses)	(2,148)	-	(10,919)	(10,919)
Net Change in Fund Balances	157,663	19,140	296,154	277,014
Fund Balance, Beginning of Year	1,569,915	1,569,915	1,569,915	-
Fund Balance, End of Year	<u>\$ 1,727,578</u>	<u>\$ 1,589,055</u>	<u>\$ 1,866,069</u>	<u>\$ 277,014</u>

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Benefit Assessment Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Assessments	\$ 4,362	\$ 4,362	\$ 4,651	\$ 289
Investment Earnings	30	30	54	24
Total Revenues	4,392	4,392	4,705	313
<b>EXPENDITURES</b>				
Current:				
Public Works	3,450	-	2,529	(2,529)
Total Expenditures	3,450	-	2,529	(2,529)
Excess (Deficiency) of Revenues over Expenditures	942	4,392	2,176	(2,216)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(503)	(503)
Total Other Financing Sources (Uses)	-	-	(503)	(503)
Net Change in Fund Balances	942	4,392	1,673	(2,719)
Fund Balance, Beginning of Year	5,515	5,515	5,515	-
Fund Balance, End of Year	<u>\$ 6,457</u>	<u>\$ 9,907</u>	<u>\$ 7,188</u>	<u>\$ (2,719)</u>

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Road and Bridge Benefit District Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Development Impact Fees	\$ 375,000	\$ 375,000	\$ 323,348	\$ (51,652)
Investment Earnings	10,000	10,000	168,570	158,570
Total Revenues	385,000	385,000	491,918	106,918
<b>EXPENDITURES</b>				
Public Works	25,000	25,000	-	25,000
Capital Outlay	-	-	227	(227)
Total Expenditures	25,000	25,000	227	24,773
Excess (Deficiency) of Revenues over Expenditures	360,000	360,000	491,691	131,691
Net Change in Fund Balances	360,000	360,000	491,691	131,691
Fund Balance, Beginning of Year	6,030,036	6,030,036	6,030,036	-
Fund Balance, End of Year	\$ 6,390,036	\$ 6,390,036	\$ 6,521,727	\$ 131,691

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Development Block Grant Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 135,485	\$ 135,485	\$ 198,827	\$ 63,342
Total Revenues	135,485	135,485	198,827	63,342
<b>EXPENDITURES</b>				
Capital Outlay	-	-	815	(815)
Total Expenditures	-	-	815	(815)
Excess (Deficiency) of Revenues over Expenditures	135,485	135,485	198,012	62,527
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	83,695	83,695
Total Other Financing Sources (Uses)	-	-	83,695	83,695
Net Change in Fund Balances	135,485	135,485	281,707	146,222
Fund Balance (Deficit), Beginning of Year	(281,714)	(281,714)	(281,714)	-
Fund Balance (Deficit), End of Year	<u>\$ (146,229)</u>	<u>\$ (146,229)</u>	<u>\$ (7)</u>	<u>\$ 146,222</u>

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Miscellaneous Grants Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 2,095,003	\$ 2,095,003	\$ 819,960	\$ (1,275,043)
Total Revenues	2,095,003	2,095,003	819,960	(1,275,043)
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	4,895	(4,895)
Capital Outlay	1,733,223	1,404,313	866,372	537,941
Total Expenditures	1,733,223	1,404,313	871,267	533,046
Excess (Deficiency) of Revenues over Expenditures	361,780	690,690	(51,307)	(741,997)
Net Change in Fund Balances	361,780	690,690	(51,307)	(741,997)
Fund Balance, Beginning of Year	52,277	52,277	52,277	-
Fund Balance, End of Year	\$ 414,057	\$ 742,967	\$ 970	\$ (741,997)

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - CARES Act Grant Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 31,197	\$ 31,197
Total Revenues	-	-	31,197	31,197
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	25,669	(25,669)
Capital Outlay	-	-	5,528	(5,528)
Total Expenditures	-	-	31,197	(31,197)
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - TUMF Reimbursement Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 1,557,603	\$ 1,557,603
Total Revenues	-	-	1,557,603	1,557,603
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	58	(58)
Capital Outlay	-	-	1,557,603	(1,557,603)
Total Expenditures	-	-	1,557,661	(1,557,661)
Excess (Deficiency) of Revenues over Expenditures	-	-	(58)	(58)
Net Change in Fund Balances	-	-	(58)	(58)
Fund Balance (Deficit), Beginning of Year	-	-	-	-
Fund Balance (Deficit), End of Year	\$ -	\$ -	\$ (58)	\$ (58)

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Area Drainage Plan Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 859,000	\$ 874,406	\$ 15,406
Investment Earnings	-	-	31,644	31,644
Total Revenues	-	859,000	906,050	47,050
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	859,000	906,050	47,050
Net Change in Fund Balances	-	859,000	906,050	47,050
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ 859,000	\$ 906,050	\$ 47,050



**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - TDA Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 138,500	\$ 138,500
Total Revenues	-	-	138,500	138,500
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Capital Outlay	-	-	73,333	(73,333)
Total Expenditures	-	-	73,333	(73,333)
Excess (Deficiency) of Revenues over Expenditures	-	-	65,167	65,167
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(65,167)	(65,167)
Total Other Financing Sources (Uses)	-	-	(65,167)	(65,167)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

**City of Eastvale**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Capital Projects Fund**  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 40,228	\$ 40,228
Total Revenues	-	-	40,228	40,228
<b>EXPENDITURES</b>				
Current:				
Public Works	-	-	7,518	(7,518)
Capital Outlay	1,212,540	1,312,540	400,744	911,796
Debt Service:				
Principal Retirement	55,748	57,748	55,748	2,000
Interest	412,952	412,952	412,952	-
Total Expenditures	1,681,240	1,783,240	876,962	906,278
Excess (Deficiency) of Revenues over Expenditures	(1,681,240)	(1,783,240)	(836,734)	946,506
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,000,000	1,483,240	1,381,239	(102,001)
Total Other Financing Sources (Uses)	1,000,000	1,483,240	1,381,239	(102,001)
Net Change in Fund Balances	(681,240)	(300,000)	544,505	844,505
Fund Balance, Beginning of Year	331,979	331,979	331,979	-
Fund Balance, End of Year	\$ (349,261)	\$ 31,979	\$ 876,484	\$ 844,505

**City of Eastvale**  
**Fiduciary Fund – Agency Fund**  
June 30, 2020

Agency Fund - To account for developer deposits received for various planning projects.

**City of Eastvale**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Fund**  
For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<b>ASSETS</b>				
Cash and Investments	\$ 1,914,057	\$ 3,980,694	\$ 3,494,027	\$ 2,400,724
Due from Other Governments	159,344	-	159,344	-
Total Assets	<u>\$ 2,073,401</u>	<u>\$ 3,980,694</u>	<u>\$ 3,653,371</u>	<u>\$ 2,400,724</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 117,566	\$ 1,192,492	\$ 1,151,904	\$ 158,154
Deposits	1,955,835	3,930,764	3,644,029	2,242,570
Total Liabilities	<u>\$ 2,073,401</u>	<u>\$ 5,123,256</u>	<u>\$ 4,795,933</u>	<u>\$ 2,400,724</u>

# STATISTICAL SECTION





## STATISTICAL SECTION

This part of the City of Eastvale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
<u>Financial Trends</u> – These schedules contain trend information to help the reader Understand how the City's financial performance and position have changed over time.	92-99
<u>Revenue Capacity</u> – These schedules contain information to help the reader assess The factors affecting the City's ability to generate its property and sales taxes.	100-104
<u>Debt Capacity</u> – These schedules present information to help the reader assess the Affordability of the City's current levels of outstanding debt and the city's ability to Issue additional debt in the future. The City maintains no outstanding debt and does not have any pledge revenues to report.	105-109
<u>Demographic and Economic Information</u> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other government Agencies.	110-114
<u>Operating Information</u> – These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	115-118
<u>Sources:</u> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City incorporated on October 1, 2010 with a nine month fiscal year ending June 30, 2011 and does not have any historical data beyond that year.	

**City of Eastvale**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 (amount expressed in thousands)

	2011	Fiscal Year 2012	2013	2014
Governmental activities				
Net Investment in Capital Assets	\$ 175,187	\$ 179,845	\$ 194,527	\$ 210,630
Restricted	2,098	4,306	7,280	1,699
Unrestricted	3,743	5,316	12,017	11,601
Total governmental activities net position	\$ 181,028	\$ 189,467	\$ 213,824	\$ 223,930

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-2011 is a nine month transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department



**City of Eastvale**  
**Net Position by Component - Continued**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 (amount expressed in thousands)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 221,512	\$ 228,474	\$ 240,849	\$ 240,610	\$ 244,370	\$ 242,422
20,399	22,945	23,718	30,842	27,279	33,310
15,214	18,624	21,957	31,424	35,577	37,979
<u>\$ 257,125</u>	<u>\$ 270,043</u>	<u>\$ 286,524</u>	<u>\$ 302,876</u>	<u>\$ 307,226</u>	<u>\$ 313,711</u>

**City of Eastvale**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
(amount expressed in thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Expenses</b>					
Governmental activities:					
General government	\$ 903	\$ 1,391	\$ 1,736	\$ 1,801	\$ 1,917
Public Safety	4,459	6,107	6,689	8,889	9,685
Public works	3,928	5,629	6,501	6,752	7,604
Community development	1,022	1,991	2,067	2,309	2,620
Revenue neutrality	-	1,804	421	462	393
Interest expense	-	-	-	11	-
Total governmental activities expenses	10,312	16,922	17,414	20,224	22,219
Total primary government expenses	\$ 10,312	\$ 16,922	\$ 17,414	\$ 20,224	\$ 22,219
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government	-	74	55	55	5
Public Safety	22	221	413	479	5,722
Public Works	-	-	-	-	217
Community development	893	2,174	2,347	3,138	3,516
Operating contributions and grants	1,899	2,940	3,571	4,338	3,293
Capital contributions and grants	179,045	9,533	20,651	22,177	17,076
Total primary government program revenues	181,859	14,942	27,037	30,187	29,829
Total primary government program revenues	\$ 181,859	\$ 14,942	\$ 27,037	\$ 30,187	\$ 29,829
Total primary government net expense	\$ 171,547	\$ (1,980)	\$ 9,623	\$ 9,963	\$ 7,610
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property tax	\$ 3,871	\$ 4,620	\$ 6,189	\$ 6,285	\$ 2,193
Franchise tax	594	1,346	1,330	1,419	1,616
Sales tax	1,487	3,885	5,720	6,988	6,692
Other taxes	290	310	448	355	343
Motor Vehicle in Lieu tax	3,235	38	37	29	27
Investment earnings	4	9	24	54	73
Other	-	1	1	13	4
Total governmental activities	9,481	10,209	13,749	15,143	10,948
Total primary governmental activities	\$ 9,481	\$ 10,209	\$ 13,749	\$ 15,143	\$ 10,948
<b>Total Change in Net Position</b>	\$ 181,028	\$ 8,229	\$ 23,372	\$ 25,106	\$ 18,558

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-2011 is a nine month transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

(1) Beginning in fiscal year 2014-15, property taxes levied for fire services were reclassified from general revenue to program revenue as charges for services within the public safety function.

Source: City of Eastvale Finance Department

**City of Eastvale**  
**Changes in Net Position - Continued**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
(amount expressed in thousands)

Fiscal Year				
2016	2017	2018	2019	2020
\$ 2,367	\$ 2,126	\$ 2,605	\$ 8,224	\$ 5,283
10,669	12,177	13,457	13,429	16,903
7,817	8,373	9,211	10,491	14,014
2,903	3,460	3,867	4,258	4,603
444	456	468	482	498
-	-	-	-	433
<u>24,200</u>	<u>26,592</u>	<u>29,608</u>	<u>36,884</u>	<u>41,734</u>
\$ 24,200	\$ 26,592	\$ 29,608	\$ 36,884	\$ 41,734
-	2	19	42	95
6,002	6,512	6,899	7,512	7,608
227	229	229	978	2,533
3,303	3,686	3,638	3,229	3,125
3,436	2,944	5,631	6,676	5,845
11,703	17,145	6,036	3,217	4,529
<u>24,671</u>	<u>30,518</u>	<u>22,452</u>	<u>21,654</u>	<u>23,735</u>
<u>\$ 24,671</u>	<u>\$ 30,518</u>	<u>\$ 22,452</u>	<u>\$ 21,654</u>	<u>\$ 23,735</u>
<u>\$ 471</u>	<u>\$ 3,926</u>	<u>\$ (7,156)</u>	<u>\$ (15,230)</u>	<u>\$ (17,999)</u>
\$ 2,812	\$ 2,631	\$ 2,606	\$ 2,549	\$ 2,910
1,638	1,420	1,552	1,545	1,645
7,289	7,693	9,078	9,610	10,349
390	451	362	346	313
24	28	4,355	4,700	5,006
294	324	580	802	3,015
-	8	18	28	1,245
<u>12,447</u>	<u>12,555</u>	<u>18,551</u>	<u>19,580</u>	<u>24,483</u>
<u>\$ 12,447</u>	<u>\$ 12,555</u>	<u>\$ 18,551</u>	<u>\$ 19,580</u>	<u>\$ 24,483</u>
<u>\$ 12,918</u>	<u>\$ 16,481</u>	<u>\$ 11,395</u>	<u>\$ 4,350</u>	<u>\$ 6,484</u>

**City of Eastvale**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
(amount expressed in thousands)

	Fiscal Year		
	2011	2012	2013
General fund			
Nonspendable	\$ 26	\$ 30	\$ 2
Restricted	-	-	-
Committed	-	-	-
Unassigned	3,932	7,227	13,338
Total general fund	3,958	7,257	13,340
All other governmental funds			
Nonspendable	\$ -	\$ -	\$ -
Restricted	2,099	4,195	7,280
Unassigned	-	(4)	(41)
Total all other governmental funds	2,099	4,191	7,239
Total fund balances of governmental funds	\$ 6,057	\$ 11,448	\$ 20,579

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-2011 is a transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to available.

Source: City of Eastvale Finance Department

**City of Eastvale**  
**Fund Balances of Governmental Funds - Continued**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
(amount expressed in thousands)

	Fiscal Year						
2014	2015	2016	2017	2018	2019	2020	
\$ -	\$ -	\$ 49	\$ 51	\$ 65	\$ 19	\$ 94	
5,272	6,918	6,969	5,925	7,070	8,323	10,269	
7,179	7,179	1,000	3,000	3,000	3,000	3,000	
4,323	7,917	17,749	18,715	27,935	30,929	34,622	
16,774	22,014	25,767	27,691	38,070	42,271	47,985	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11,427	13,451	15,508	17,535	23,772	18,957	22,967	
-	(39)	(383)	(190)	(1,165)	(282)	-	
11,427	13,412	15,125	17,345	22,607	18,675	22,967	
\$ 28,201	\$ 35,426	\$ 40,892	\$ 45,036	\$ 60,677	\$ 60,946	\$ 70,952	

nine month

that year is

**City of Eastvale**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
(amount expressed in thousands)

	Fiscal Year			
	2011	2012	2013	2014
<b>Revenues</b>				
Taxes:				
Property tax	\$ 3,871	\$ 4,620	\$ 6,189	\$ 6,140
Franchise tax	594	1,346	1,330	1,419
Sales tax	1,487	3,885	5,720	6,987
Other taxes	290	310	448	355
Licenses, permits and fees	893	2,251	2,541	3,360
Fines and forfeitures	22	205	269	303
Intergovernmental	5,132	2,974	2,830	4,141
Special use fees	338	102	1,225	941
Assessments	-	-	769	208
Investment earnings	6	15	35	78
Other	-	13	7	176
Total revenues	12,633	15,721	21,363	24,108
<b>Expenditures</b>				
Current:				
General government	\$ 955	\$ 1,351	\$ 1,823	\$ 1,735
Public safety	4,481	6,102	6,681	9,503
Public Works	328	710	772	976
Community development	1,022	1,992	2,066	2,309
Revenue neutrality	-	-	-	462
Debt service:				
Principal	-	-	-	1,240
Interest	-	-	-	11
Cost of Issuance	-	-	-	-
Capital outlay	-	175	890	249
Total expenditures	6,786	10,330	12,232	16,485
Excess of revenues over expenditures	5,847	5,391	9,131	7,623
<b>Other financing sources</b>				
Proceeds of long-term debt	210	-	-	-
Total other financing sources	210	-	-	-
Net change in fund balance	\$ 6,057	\$ 5,391	\$ 9,131	\$ 7,623
Debt service as a % of noncapital expenditures	0.0%	0.0%	0.0%	0.0%

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-2011 is a nine month transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale**  
**Changes in Fund Balances of Governmental Funds - Continued**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
(amount expressed in thousands)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 7,163	\$ 8,141	\$ 8,171	\$ 8,930	\$ 11,020	\$ 11,435
1,616	1,637	1,420	1,552	1,545	1,645
6,692	7,289	7,693	9,078	9,610	10,349
343	390	451	379	347	313
3,645	3,454	3,801	3,805	3,579	3,390
619	524	696	743	847	652
3,227	2,972	3,146	7,664	9,661	11,855
747	999	745	2,830	313	1,129
215	227	229	229	280	324
108	294	324	580	802	3,015
52	50	47	53	62	1,984
24,427	25,977	26,723	35,843	38,066	46,091
\$ 1,911	\$ 2,077	\$ 2,048	\$ 2,545	\$ 7,520	\$ 5,249
9,621	10,030	11,630	13,148	13,061	16,467
795	982	863	875	1,506	3,139
2,621	2,903	3,460	3,867	4,258	4,603
393	444	456	468	482	498
-	-	-	-	-	56
-	-	-	-	-	413
-	-	-	-	683	-
1,498	4,074	4,123	4,298	14,777	5,659
16,839	20,510	22,580	25,201	42,287	36,084
7,588	5,467	4,143	10,642	(4,221)	10,007
-	-	-	-	4,492	-
-	-	-	-	4,492	-
\$ 7,588	\$ 5,467	\$ 4,143	\$ 10,642	\$ 271	\$ 10,007
0.0%	0.0%	0.0%	0.0%	0.0%	1.4%

**City of Eastvale**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Nine Fiscal Years**  
(amount expressed in thousands)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other</u>	<u>Total Assessed Valuation</u>
2012	\$ 5,084,826	\$ 207,045	\$ 418,137	\$ 317,720	\$ 6,027,728
2013	5,190,205	225,586	402,370	408,069	6,226,230
2014	5,625,726	231,234	406,711	419,587	6,683,258
2015	6,464,576	242,419	408,625	495,062	7,610,682
2016	6,866,359	261,470	440,387	489,328	8,057,544
2017	7,251,789	272,192	465,414	491,561	8,480,956
2018	7,663,784	288,085	642,081	486,943	9,080,893
2019	8,055,727	325,604	896,230	541,404	9,818,965
2020	8,356,245	385,613	1,015,665	662,736	10,420,259

Note: Fiscal Year 2011-12 is the first fiscal year since the incorporation of Eastvale on October 1, 2010. California Revenue and Taxation Code Section 2905 states that taxes on unsecured property are to be taxed at tax rates fixed prior to the lien date (prior year). No unsecured value is included in the report above for the year 2011-12 roll year as the County received taxes on the unsecured value in that year. Estimated Actual Value amounts are not available.

(1) - City's Share of 1% Levy Per Prop 13

Source: County of Riverside, Auditor-Controller/HdL, Coren & Cone



**City of Eastvale**  
**Assessed Value and Estimated Actual Value of Taxable Property - Continued**  
**Last Nine Fiscal Years**  
(amount expressed in thousands)

Less Tax Exempt Property	Total Taxable Assessed Value	District Tax (1) Rate (City)
<hr/>	<hr/>	<hr/>
\$ (18,826)	\$ 6,008,902	0.02448
(19,753)	6,206,477	0.02402
(21,494)	6,661,764	0.10237
(18,594)	7,592,088	0.10057
(19,868)	8,037,676	0.09996
(24,368)	8,456,588	0.10082
(26,206)	9,054,687	0.09875
(28,597)	9,790,368	0.09800
(36,163)	10,384,096	0.09800

**City of Eastvale**  
**Direct and Overlapping Property Tax Rates**  
**Last Nine Fiscal Years**  
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates				
	Basic County, City, and School Levy	Community College District	Water District	School District	Total (1)
2012	1.00000	0.01700	0.00370	0.11541	1.13611
2013	1.00000	0.01702	0.00350	0.11326	1.13378
2014	1.00000	0.01768	0.00350	0.11758	1.13876
2015	1.00000	0.01791	0.00350	0.11092	1.13233
2016	1.00000	0.01725	0.00350	0.18908	1.20983
2017	1.00000	0.01649	0.00350	0.19695	1.21694
2018	1.00000	0.01616	0.00350	0.17946	1.19912
2019	1.00000	0.01478	0.00350	0.17751	1.19579
2020	1.00000	0.01476	0.00350	0.19579	1.21405

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

(1) Total direct rate is the weighted average of all individual direct rates applied by the City of Eastvale. This amount includes the city's Share of 1% Levy Per Prop 13 plus community college, water and school districts.

Source: County of Riverside, Auditor-Controller/HdL, Coren & Cone

**City of Eastvale**  
**Principal Property Tax Payers**  
**Current Fiscal Year and Nine Years Ago**

Taxpayer	2020		2012	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Tarpon Property Ownership 2 LLC	\$ 244,754,684	2.36%	-	-
Golden State FC LLC	218,952,706	2.11%	-	-
BPP Pacific Industrial California Reit	156,766,917	1.51%	-	-
Homecoming at Eastvale	141,824,404	1.37%	-	-
FR The Ranch	103,429,411	1.00%	-	-
Eastvale Gateway	96,101,083	0.93%	-	-
AMB Institutional Alliance Fund	87,008,500	0.84%	81,045,851	1.35
Teachers Insurance and Annuity Assoc	67,479,735	0.65%	-	-
Prologis California I	46,805,290	0.45%	41,282,996	0.69%
James Borba	46,264,484	0.45%		
LBA Riv Company IV	-	-	71,860,000	1.20%
Eastvale Gateway II	-	-	52,226,362	0.87%
Homecoming III at Eastvale	-	-	52,048,559	0.87%
SC Eastvale Development Company	-	-	49,591,287	0.83%
Homecoming II at Eastvale	-	-	43,375,919	0.72%
Hamner Park Associates	-	-	33,769,695	0.56%
J W Mitchell Company	-	-	31,541,228	0.52%
WW Grainer Inc.	-	-	28,849,600	0.48%
Total	<u>\$ 1,209,387,214</u>	<u>11.67%</u>	<u>\$ 485,591,497</u>	<u>141.73%</u>

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transitional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information for that year and prior to that year are available.

Source: HdL, Coren & Cone

**City of Eastvale**  
**Property Tax Levies and Collections**  
**Last Nine Fiscal Years**

Fiscal Year	Collected within the			Collection in Subsequent Years	Total Collections to Date		
	Levy Year						
	Taxes Levied		Percentage				
	For the Levy Year	Amount			Amount	Percentage of Levy	
2012	\$ 4,981,958	\$ 4,514,142	90.61%	245,141	\$ 4,759,283	95.53%	(1)
2013	5,567,463	5,547,886	99.65%	19,577	5,567,463	100.00%	(2)
2014	5,967,172	5,639,937	94.52%	162,758	5,802,695	97.24%	
2015	6,777,856	6,555,914	96.73%	16,963	6,572,877	96.98%	
2016	7,148,652	7,062,635	98.80%	19,879	7,082,514	99.07%	
2017	7,597,972	7,571,107	99.65%	17,515	7,588,622	99.88%	
2018	7,873,083	7,848,417	99.69%	76,595	7,925,012	100.66%	
2019	8,325,698	8,163,736	98.05%	76,585	8,240,321	98.97%	
2020	8,837,417	8,692,642	98.36%	15,890	8,708,532	98.54%	

Notes:

(1) Fiscal Year 2011-12 is the first full year since incorporation of Eastvale on October 1, 2010. California Revenue and Taxation Code Section 2905 states that tax on unsecured property are to be taxed at rates fixed prior to the lien date (prior year). The City had no collection in prior fiscal year of which taxes were collected in subsequent years.

(2) Fiscal Year 2012-13 collected within the year of levy includes a one-time settlement amount of \$483,426 resulting from renegotiations with the County of Riverside of the Riverside Neutrality Agreement and Property Tax Allocation Factor.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department, Riverside County Auditor-Controller's Office.

**City of Eastvale**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Lease Revenue Bonds</u>	<u>Loans Payable</u>	<u>Total Governmental Activities</u>	<u>% of Actual Assessed Value of Property</u>	<u>Per Capita</u>
2011	\$ -	\$ -	\$ -	\$ -	0.000%	\$ -
2012	-	-	-	-	0.000%	-
2013	-	-	-	-	0.000%	-
2014	-	-	-	-	0.000%	-
2015	-	-	-	-	0.000%	-
2016	-	-	-	-	0.000%	-
2017	-	-	-	-	0.000%	-
2018	-	-	-	-	0.000%	-
2019	-	-	4,491,640	4,491,640	0.000%	68
2020	-	-	4,435,892	4,435,892	0.000%	67

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statement

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale**  
**Ratio of General Bonded Debt**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Tax Allocation Bonds</u>	<u>Certificates of Participation</u>	<u>Total Governmental Activities</u>	<u>Percent of Assessed Value</u>	<u>Debt per Capita</u>
2011	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2012	-	-	-	-	0.00%	-
2013	-	-	-	-	0.00%	-
2014	-	-	-	-	0.00%	-
2015	-	-	-	-	0.00%	-
2016	-	-	-	-	0.00%	-
2017	-	-	-	-	0.00%	-
2018	-	-	-	-	0.00%	-
2019	-	-	-	-	0.00%	-
2020					0.00%	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale**  
**Direct and Overlapping Bonded Debt**  
**As of June 30, 2020**

2019-20 Assessed Valuation \$ 10,384,186,055

	Outstanding Debt June 30, 2019	Percent Applicable <sup>(1)</sup>	Amount Applicable to City June 30, 2019
<b><u>Overlapping Tax and Assessment Debt</u></b>			
Metropolitan Water District	\$ 37,300,000	0.336%	\$ 125,328
Riverside Community College District	284,166,015	9.225	26,214,315
Corona-Norco Unified School District	513,477,660	22.361	116,205,129
Jurupa-Unified School District	159,112,972	15.004	23,873,310
Corona-Norco Unified School District Comm Facilities District	79,732,755	91.622-100	76,758,984
Jurupa Unified School District Community Facilities District	26,990,000	100	26,990,000
Jurupa Community Services District Comm Facilities District	291,415,000	22.437-100	283,375,595
Total Overlapping Tax and Assessment Debt			<u>\$ 553,542,661</u>

<b><u>Direct and Overlapping General Fund Debt</u></b>			
Riverside County General Fund Obligations	\$ 759,807,924	3.509%	\$ 26,661,660
Riverside County Pension Obligation Bonds	938,825,000	3.509	32,943,369
Corona-Norco Unified School District General Fund Obligations	25,802,026	22.631	5,839,257
Jurupa Unified School District Certificates of Participation	56,113,541	51.004	8,419,276
<b>City of Eastvale</b>	<b>0</b>	<b>100</b>	<b>0</b>
Western Municipal Water District General Fund Obligations	7,817,855	10.800	844,328
Total Direct and Overlapping General Fund Debt			<u>\$ 74,707,890</u>

Overlapping Tax Increment Debt (Successor Agency) 310,317,995.00 8.324-18.475% 42,870,315.00

**Total Direct Debt** \$ 4,435,892  
Total Gross Overlapping Debt \$ 671,120,866  
Total Net Overlapping Debt \$ 671,120,866

Gross Combined Total Debt \$ 671,120,866 <sup>(2)</sup>  
Net Combined Total Debt \$ 671,120,866

**Ratios to 2019-20 Assessed Valuation**

Total Overlapping Tax and Assessment Debt 5.33%  
**Total Direct Debt 0.04%**  
Gross Combined Total Debt 6.46%  
Net Combined Total Debt 6.46%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$1260,861,362)**

Total Overlapping Tax Increment Debt 3.35%

**Notes:**

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: MuniServices (Avenue Insights and Statistics)

**City of Eastvale**  
**Legal Debt Margin Information**  
**Last Nine Fiscal Years**  
(amount expressed in thousands)

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Legal Debt Limit (15% of Assessed Value)</u>	<u>Amount of Debt Applicable to Debt Limit</u>	<u>Legal Debt Margin</u>	<u>Total Debt Applicable to the Limit as a Percentage of the Debt Limit</u>
2012	\$ 6,008,902	\$ 901,335	\$ -	\$ 930,972	0.0%
2013	6,206,477	930,972	-	930,972	0.0%
2014	6,661,764	999,265	-	999,265	0.0%
2015	7,592,088	1,138,813	-	1,138,813	0.0%
2016	8,037,676	1,205,651	-	1,205,651	0.0%
2017	8,577,102	1,286,565	-	1,286,565	0.0%
2018	9,085,096	1,362,764	-	1,362,764	0.0%
2019	9,818,965	1,472,845	-	1,472,845	0.0%
2020	10,420,259	1,563,039	-	1,563,039	0.0%

Notes: Section 43605 of the Government Code of the State of California limits the amount of general bonded indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City. The City has no general obligation bonded debt.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: HdL, Coren & Cone



**City of Eastvale  
Pledged Revenue Coverage  
Last Ten Fiscal Years**

Fiscal Year	Lease Revenue Bonds					
	Revenue	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2011	The City has no direct outstanding bonded debt					
2012	The City has no direct outstanding bonded debt					
2013	The City has no direct outstanding bonded debt					
2014	The City has no direct outstanding bonded debt					
2015	The City has no direct outstanding bonded debt					
2016	The City has no direct outstanding bonded debt					
2017	The City has no direct outstanding bonded debt					
2018	The City has no direct outstanding bonded debt					
2019	The City has no direct outstanding bonded debt					
2020	The City has no direct outstanding bonded debt					

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale**  
**Demographic and Economic Status**  
**Last Nine Fiscal Years**

Calendar Year	(1) Population	(2) Personal Income in Thousands	(2) Per Capita Personal Income	(3) Median Age	(4) Unemployment Rate
2012	55,602	\$ 1,514,209	\$ 27,233	30.1	13.5%
2013	57,251	1,723,999	30,113	31.1	12.2%
2014	59,185	1,723,881	29,127	30.8	10.2%
2015	59,151	1,793,044	30,313	31.2	5.5%
2016	63,162	1,586,340	25,115	31.8	4.5%
2017	64,613	1,592,100	24,641	31.9	4.0%
2018	64,855	1,688,799	26,040	32.7	4.4%
2019	66,078	1,882,938	28,496	33.2	3.2%
2020	66,413	1,984,346	29,879	33.1	2.9%

Note: The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: (1) Population - California Department of Finance  
(2) Personal Income/Population - US Census Bureau  
(3) Median Age - HdL Coren & Cone  
(4) Unemployment Rate - HdL Coren & Cone

**City of Eastvale  
Principal Employers  
Current Fiscal Year <sup>(4)</sup>**

Business Name	2019-20	
	Number of Employees	Percent of Total Employment (%)
Amazon Fulfillment Center	3,000	9.38%
Walmart Distribution**	1,022	3.19%
Corona-Norco USD*	663	2.07%
Ingram Micro	548	1.71%
Costco	260	0.81%
Home Depot	233	0.73%
Grainger Inc.	180	0.56%
Komar Distribution Services	153	0.48%
Kohl's	137	0.43%
Albertson	100	0.31%
Kmart Distribution Center		
Corningware Corelle & More***		
	6,296	19.68%
Total Top 10 Employers		
Total City Labor Force <sup>(1)</sup>	32,000	

Notes:

2015-16 is the city's first CAFR publication, therefore prior year data availability is limited.  
2016-17 from previously published CAFR.

( - ) No Data available

Results based on direct correspondence with city's local businesses.

\*Within the City of Eastvale only. Certificated and Classified Employees included.

\*\* Includes 2 Distribution centers and NFI Industries

\*\*\*Company contracted Employees, Company will be closing end of the year

(1) Total City Labor Force provided by EDD Labor Force Data.

Source: Avenu Insights & Analytics

**City of Eastvale**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Calendar Years**  
(accrual basis of accounting)  
(amount expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales &amp; Use Tax</u>	<u>Motor Vehicle in-lieu Tax</u>	<u>Vehicle License Fee in-lieu Tax</u>	<u>Sales Tax in-lieu Tax</u>
2011	3,871	1,487	3,235	-	-
2012	4,620	3,885	38	-	-
2013	6,189	5,720	37	-	-
2014	6,285	6,988	29	-	-
2015	2,193	6,692	27	-	-
2016	2,812	7,289	24	-	-
2017	2,631	7,693	28	-	-
2018	2,606	9,078	4,355	-	-
2019	2,549	9,610	4,700	-	-
2020	2,910	10,349	5,006		

Note: The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale**  
**Governmental Activities Tax Revenues by Source - Continued**  
**Last Ten Calendar Years**  
(accrual basis of accounting)  
(amount expressed in thousands)

Franchise Tax	Other Taxes	Total
594	290	9,477
1,346	310	10,199
1,330	448	13,724
1,419	355	15,076
1,616	343	10,871
1,638	390	12,153
1,420	451	12,223
1,552	362	17,953
1,545	346	18,750
1,645	1,245	21,155

**City of Eastvale**  
**Taxable Sales by Category (in thousands of dollars)**  
**Last Nine Calendar Years**

Calendar Year	Other Retail Stores	All Other Outlets	Total
2011	244,696	149,765	394,461
2012	278,326	265,151	543,477
2013	309,599	300,111	609,710
2014	339,959	325,662	665,621
2015	357,869	387,769	745,638
2016	367,606	398,041	765,647
2017	382,404	463,113	845,517
2018	472,690	442,403	915,093
2019	549,385	445,217	994,602

Note: The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Information for Calendar Year 2019 is unavailable.

Source: HdL, Coren & Cone/State of California Board of Equalization

**City of Eastvale  
Full-time City Employers  
by Function  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Community Development</u>	<u>Total</u>
2011	4.00	0.00	0.00	0.00	4.00
2012	6.00	0.00	0.00	0.00	6.00
2013	6.00	0.00	0.00	0.00	6.00
2014	7.00	0.00	0.00	2.00	9.00
2015	10.25	0.00	0.00	2.50	12.75
2016	9.50	0.00	0.00	2.25	11.75
2017	10.00	0.00	0.00	1.75	11.75
2018	13.75	0.00	0.00	4.00	17.75
2019	15.00	0.00	0.00	9.25	24.25
2020	18.50	0.00	0.00	12.25	30.75

Notes: The City of Eastvale contracts services for Public Works, Planning, Building & Safety, Police and Fire. Parks and Recreation is provided by the Jurupa Community Services District.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale  
Operating Indicators  
by Function  
Last Ten Fiscal Years**

		Fiscal Year			
		2011	2012	2013	2014
Finance					
Business registration applications / renewals	(1)	817	920	1,061	
Building and Safety					
Construction valuation	\$ 71,690,823	\$ 133,358,335	\$ 201,070,031	\$ 168,641,107	
Building permits issued	968	1,509	2,105	2,168	
Public Safety					
Total arrests	512	648	746	953	
Calls for service	1,311	22,154	27,826	17,630	

**Notes:**

(1) Fiscal year 2011-12 is the first fiscal year the City provided the business license program. No business licenses were issued by the City during fiscal year 2010-11.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

**Source:** City of Eastvale, Various Departments



**City of Eastvale**  
**Operating Indicators - Continued**  
**by Function**  
**Last Ten Fiscal Years**

Fiscal Year					
2015	2016	2017	2018	2019	2020
1,837	1,297	1,632	2,083	1,625	1,124
\$ 184,550,926	\$ 205,136,969	\$ 230,282,478	\$ 75,756,134	\$ 154,206,189	\$ 188,393,503
2,481	1,677	1,584	1,196	1,488	1,416
612	571	621	488	532	510
27,579	28,717	31,875	31,204	25,797	24,211

**City of Eastvale  
Capital Asset Statistics  
by Function  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Street (miles)</u>	<u>Traffic Signaled Intersections</u>	<u>Bridges</u>	<u>Buildings</u>
2011	291	40	1	-
2012	307	41	1	-
2013	320	42	1	-
2014	334	44	1	-
2015	365	44	1	1
2016	367	47	2	1
2017	368	47	2	1
2018	368	48	2	1
2019	368	50	2	3
2020	368	64	2	4

Note: The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Public Works Department